As filed with the Securities and Exchange Commission on May 29, 2024.
Registration No. 333-278675

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

AMENDMENT NO. 2
TO
FORM F-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Gauzy Ltd.

(Exact name of registrant as specified in its charter)

State of Israel	3690	Not Applicable
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

Eyal Peso
Chief Executive Officer and Chairman
14 Hathiya Street, Tel Aviv 6816914, Israel
Tel: +972-72-250-0385
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Gauzy USA, Inc.
840 F Avenue, Suite 104
Plano, TX 75074
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Mark Selinger, Esq. **Gary Emmanuel, Esq.** **David Huberman, Esq.** **Greenberg Traurig, LLP** **One Vanderbilt Avenue** **New York, NY 10017-3852** **Tel: 212-801-9200**	**Chaim Friedland** **Ari Fried** **Gornitzky & Co.** **Vitania Tel Aviv Tower** **20 HaHarash Street** **Tel Aviv, 6761310, Israel** **Tel: +972-3-710-9191**	**Perry Wildes** **Ephraim Friedman** **Goldfarb Gross Seligman & Co.** **1 Azrieli Center, Round Tower** **Tel Aviv 6701101, Israel** **Tel: +972-3-607-4464**	**Joshua G. Kiernan** **Michael J. Rosenberg** **Latham & Watkins LLP** **99 Bishopsgate** **London EC2M 3XF** **United Kingdom** **Tel: +44 (20) 7710-1000**	**Nathan Ajiashvili** **Latham & Watkins LLP** **1271 Avenue of the Americas** **New York, New York 10020** **Tel: 212-906-1200**

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.

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.

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion
Preliminary Prospectus dated May 29, 2024

PRELIMINARY PROSPECTUS

4,166,667 Ordinary Shares

This is our initial public offering. We are offering 4,166,667 ordinary shares.

We expect the public offering price to be between $17.00 and $19.00 per ordinary share. Currently, no public market exists for our ordinary shares.

We have applied to have our ordinary shares listed on the Nasdaq Global Market, or the Nasdaq, under the symbol "GAUZ." There is no assurance that such application will be approved, and if our application is not approved, this offering will not be completed.

We are both 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 under the U.S. federal securities laws and are subject to reduced public company reporting requirements. See "*Summary — Implications of Being an 'Emerging Growth Company'* and a *'Foreign Private Issuer'*."

Investing in our ordinary shares involves risks that are described in the "Risk Factors" section beginning on page 28 of this prospectus.

	Per Share	Total
Initial public offering price	$	$
Underwriting discounts and commissions (1)	$	$
Proceeds before expenses, to us	$	$

(1) See the section titled "*Underwriting*" for additional information regarding the compensation payable to the underwriters.

We have granted the underwriters an option to purchase up to an additional 625,000 ordinary shares from us, at the initial public offering price, less the underwriting discounts, for a period of 30 days after the date of this prospectus.

In addition, OIC Growth Fund has indicated an interest to purchase, directly or by way of an affiliate, up to 833,333 of ordinary shares in this offering, which represents no more than 20% of the total ordinary shares in this offering. Because indications of interest are not binding agreements or commitments to purchase, the underwriters may determine to sell more, less or no ordinary shares in this offering to this investor, or this investor may determine to purchase more, less or no ordinary shares in this offering. The underwriters will receive the same underwriting discounts and commissions on any ordinary shares purchased by this investor as they will on any other ordinary shares sold to the public in this offering. See "Underwriting."

Neither the Securities and Exchange Commission, or the SEC, 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.

The shares will be ready for delivery on or about , 2024.

Barclays **TD Cowen** **Stifel** **B. Riley Securities**

Beech Hill Securities

The date of this prospectus is , 2024.

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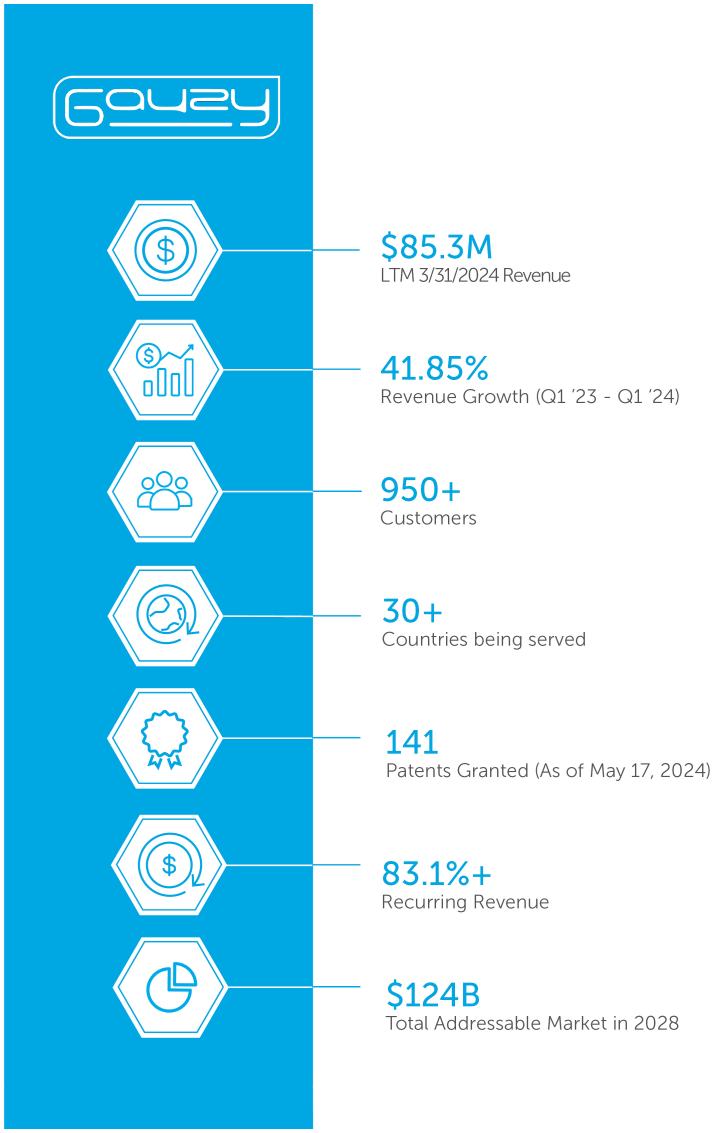

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ABOUT THIS PROSPECTUS

Unless otherwise indicated or the context otherwise requires, all references in this prospectus to the terms "Gauzy," "the Company," "our," "us," and "we" refer to Gauzy Ltd. and its subsidiaries.

You should rely only on the information contained in this prospectus or in any related free-writing prospectus that we have authorized to be delivered or made available to you. Neither we nor the underwriters have authorized anyone to provide any information or to make any representations other than those contained in this prospectus, any amendment or supplement to this prospectus, or in any free writing prospectus prepared by us or on our behalf or to which we have referred you. Neither we nor the underwriters take responsibility for, and can provide no assurance as to the reliability of, any information that others may give you. This prospectus is an offer to sell only the ordinary shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. Neither we nor the underwriters are making an offer to sell these ordinary shares in any jurisdiction where the offer or sale is not permitted or where the person making the offer or sale is not qualified to do so or to any person to whom it is not permitted to make such offer or sale. The information contained in this prospectus is current only as of the date of the front cover of the prospectus, regardless of the time of delivery of this prospectus or any sale of ordinary shares. Our business, financial condition, operating results and prospects may have changed since that date.

Persons who come into possession of this prospectus and any applicable free writing prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any restrictions as to this offering and the distribution of this prospectus and any such free writing prospectus applicable to that jurisdiction. See "*Underwriting*" for additional information on these restrictions.

PRESENTATION OF FINANCIAL INFORMATION

Our financial statements were prepared in accordance with generally accepted accounting principles in the United States, or U.S. GAAP. We present our consolidated financial statements in U.S. dollars. Our fiscal year ends on December 31 of each year. Certain figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

The terms "shekel," "Israeli shekel" and "NIS" refer to New Israeli Shekels, the lawful currency of the State of Israel, the terms "dollar," "U.S. dollar," "USD" or "$" refer to United States dollars, the lawful currency of the United States of America, and the terms "Euro" or "€" refer to the Euro, the lawful currency of the European Union member states. For the purposes of the presentation of financial data, all conversions from NIS or Euro to U.S. dollars were made at the then current exchange rate. The U.S. dollar amounts presented in this prospectus should not be construed as representing amounts that are receivable or payable in dollars or convertible into dollars, unless otherwise indicated. All references to "shares" in this prospectus refer to ordinary shares of Gauzy Ltd., par value NIS 0.23 per share.

Non-GAAP Financial Measures and Key Business Metrics

We present our results of operations in a way that we believe will be the most meaningful and useful to investors, analysts, rating agencies and others who use our financial information to evaluate our performance. Some of our financial measures are not prepared in accordance with generally accepted accounting principles, or non-GAAP, under SEC rules and regulations. For example, in this prospectus, we present revenue backlog, EBITDA, Adjusted EBITDA and Free Cash Flow, all of which are non-GAAP financial measures as defined in Item 10(e) of SEC Regulations S-K. Revenue backlog, EBITDA, Adjusted EBITDA and Free Cash Flow are non-GAAP financial measures, are presented for supplemental informational purposes only, and are not intended to be substitutes for any GAAP financial measures, including revenue or net income (loss), and, as calculated, may not be comparable to companies in other industries or within the same industry with similarly titled measures of performance. In addition, these non-GAAP measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Therefore, these non-GAAP financial measures should be considered in addition to, not as a substitute for, or in isolation from, measures prepared in accordance with GAAP. Where appropriate, reconciliations of our non-GAAP financial measure to the most comparable GAAP figures are included. For further discussion, see the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Key Business Metrics and Non-GAAP Financial Measures.*"

TRADEMARKS

"LCG®," "GAUZY," "SMART-VISION," and "VISION SYSTEMS" are trademarks of ours that we use in this prospectus. This prospectus also includes trademarks, tradenames and service marks that are the property of other organizations. Solely for convenience, our trademarks and tradenames referred to in this prospectus appear without the ® or ™ symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights, or the right of the applicable licensor to our trademark and tradenames.

MARKET, INDUSTRY AND OTHER DATA

This prospectus contains estimates, projections and other information concerning our industry, our business, and the markets for our products. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties, and actual events or circumstances may differ materially from events and circumstances that are assumed in this information. Unless otherwise expressly stated, we obtained this industry, business, market and other data from our own internal estimates and research as well as from reports, research surveys, studies and similar data prepared by market research firms and other third parties, industry and general publications, government data and similar sources. While we believe our internal company research as to such matters is reliable and the market definitions are appropriate, neither such research nor these definitions have been verified by any independent source.

In addition, assumptions and estimates of our and our industry's future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in "Risk Factors." These and other factors could cause our future performance to differ materially from our assumptions and estimates. See "*Special Note Regarding Forward-Looking Statements*."

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before deciding to invest in our ordinary shares, you should read this entire prospectus carefully, including the sections of this prospectus entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes included elsewhere in this prospectus.

Our Company

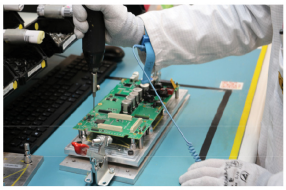
We are a fully-integrated light and vision control company, transforming the way we experience our everyday environments. Our cutting-edge nanotechnology and electronics capabilities in light control, and our mechatronics and image analysis technologies in vision control, are revolutionizing mobility and architectural end-markets. We have established distinct leadership positions across these large and high-growth markets, where our technologies are replacing traditional mechanical products, such as shades, blinds and mirrors, with advanced and sustainable solutions offering superior functionality. Our key products include suspended particle device, or SPD, and liquid crystal, or LC, films for smart glass applications, as well as camera monitoring systems, or CMS, and other advanced driver assistance systems, or ADAS, solutions. We have established serial production capabilities, either directly or through sub-contracts, with leading aerospace, automotive and architecture companies including Boeing, Honda, Mercedes, Ford, BMW, and Avery Dennison. We benefit from both secular and regulatory tailwinds that are driving the rapid adoption of light and vision control technologies. In addition to our core markets, we believe that our products may have a multitude of tangible applications in other areas such as railway, maritime, specialty vehicle, private security and consumer appliances.

We aim to deliver a full suite of proprietary technologies that offer superior performance attributes by leveraging our differentiated technical capabilities and market insights, a competitive advantage we maintain through our core research and development and innovation organization. We have a comprehensive product offering with multiple complementary light and vision control technologies, enabling us to provide a full range of solutions for light and vision control across diverse markets, applications and geographies. Our vertically integrated in-house production capabilities enable us to offer our products at various stages in the supply chain based on the specific business needs of our customers. For example, we have the capability to simultaneously sell films to glass fabricators, prefabricated stacks to Tier 1 glass manufacturers and, in certain instances, full window systems to original equipment manufacturers, or OEMs.


Molecular Synthesis


Film Manufacturing


Lamination for full dimmable windows


Electronics & Software


Mechatronics


ADAS/CMS Image Analysis

In light control, our product offerings include smart glass and films that switch from transparent to opaque, controllable dimmable shading, and transparent displays for digital signage and communication. Our light control products allow the user to regulate privacy, solar heat gain, and UV protection. In vision control, we are a leading Tier 1 supplier of ADAS solutions for trucks, buses and coaches, designed to create a safer and more comfortable driving experience. Our unique ADAS offerings remove the need for side- and rear-view mirrors, instead providing the driver with a real-time video display and alerts to reduce blind spots and potential driving hazards.


SPD Segmented Sunroof


PDLC Partiton

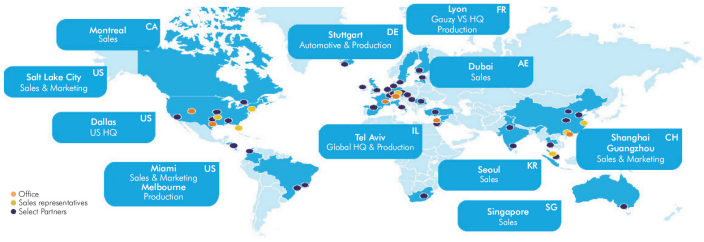

CMS/ADAS

We enjoy close, collaborative relationships with many OEMs, Tier 1 suppliers, film processors and glass fabricators who rely on our technologies. During the product development process, we customize our solutions to ensure they meet our customers' requirements and are ultimately certified for production. In aerospace, we are a leading Tier 1 supplier for the commercial airline, business jet and helicopter segments, providing fully-manufactured smart glass and advanced shading solutions directly to our customers. We hold a leading market position in cockpit shading systems for commercial airliners and business jets. We are in serial production for cabin shades, either directly or through sub-contracts, with seven business jet OEMs, including Embraer, HondaJet, Bombardier, Gulfstream, Daher and Beechcraft. Furthermore, we have successfully leveraged the technology and mechatronics expertise we have developed as a Tier 1 aerospace supplier to provide additional differentiated products and services to the automotive and architecture markets.


Tier-1 SPD & PDLC LCG® for Commercial and Private Aircrafts

In the automotive and architectural markets, we are a leading Tier 2 supplier of light control technologies. Our unique business model enables automotive and architectural glass fabricators globally to manufacture smart glass that is integrated with our films and electronics. In the automotive segment, OEMs incorporate our technology in glass rooftops, side windows and windshields to replace conventional mechanical sun visors and shades. In the architectural market, we serve all major segments including commercial, retail, residential, healthcare and hospitality for both interior and exterior applications. In the commercial vehicle segment, we are a Tier 1 supplier and one of the market leaders in vision control technologies, including CMS and ADAS systems for the truck, bus and coach market.

We are strategically located in close proximity to our customers. This geographic competitive advantage deepens local customer relationships, enhances commercial innovation, optimizes customer support, shortens supply chains and enables us to deliver our technologies quickly and efficiently around the world. As a result, the typical customer contract length is 15 to over 30 years for customers in our aeronautics segment, approximately eight years for customers in our automotive segment and five to ten years for customers in our safety tech segment. We operate production facilities in Israel, France, Germany and the United States, with sales, marketing and fulfilment centers in 15 locations throughout the globe. We sell our products in over 30 countries through both direct fulfilment and a network of expertly trained and certified distribution channels.



We serve a broad range of end-markets and geographies, enabling us to benefit from a diversified base of revenues. In 2023, we generated approximately 22.5% of our revenues in the United States, 21.7% in Europe (excluding France), 45.8% in France, 1.4% in Israel, and 4.6% in Asia, with the remaining 4.0% generated in other countries across the world. In the same period, we generated approximately 43.4% of our revenues in the aerospace market, 38.1% in safety tech and commercial vehicle market and 18.5% in the automotive market and architectural market combined. We also enjoy a diverse customer base, with no single customer representing more than 9.3% and 9.7% of our revenue for the year ended December 31, 2023 and three months ended March 31, 2024, respectively.

Industry Overview and Market Potential

We operate in the light and vision control markets, and the history of our company's involvement in these markets is linked by a common focus on controlling user interaction and experience with everyday environments, specifically within mobility and architectural applications. As an example, our dimmable smart glass technologies are used to control both the amount and type of light passing through automotive rooftops. This enables an enhanced and customized mobility experience for both drivers and passengers. Similarly, our innovative CMS technology builds on our foundation of advanced mirror expertise, a form of light control, and enables a safer and more comfortable driver experience.

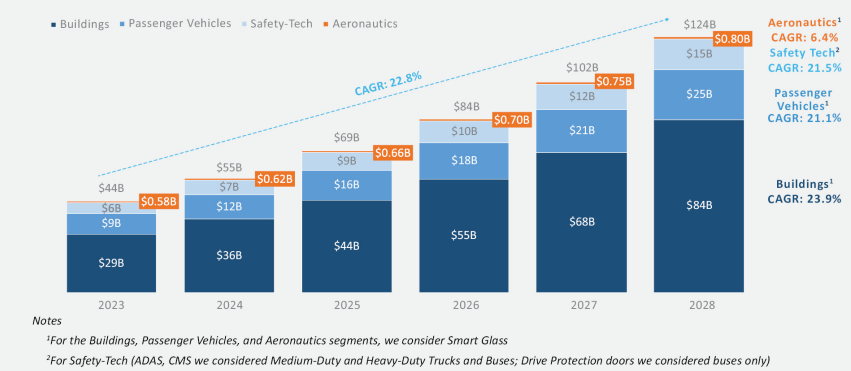
Light Control

Advanced light control technologies are transforming many industries, including architectural and mobility markets, by replacing traditional mechanical products such as standard glass windows and sun visors with smart glass solutions. These technologies create countless user benefits, including a reduction in carbon emissions and improved public safety. By actively controlling the light that is transmitted through a transparent substrate, such as glass, light control technologies give traditionally passive materials dynamic and multi-purpose functionality. By allowing a surface to appear transparent, translucent or opaque on-command, light control technologies balance the benefits of natural light with the need for privacy and energy efficiency. Light control technologies can be integrated into windows, partitions and other transparent surfaces in a wide range of end-market applications.

The market potential for integrated advanced light control products continues to grow as more material applications develop. According to a recent research report conducted by Frost and Sullivan, the global smart glass market size is expected to reach $124 billion by 2028 and to grow at a CAGR of 22.8% from 2023 to 2028, driven primarily by the architecture and mobility markets. The following chart shows the expected growth in the global smart glass market broken down by the buildings, passenger vehicles and aeronautics market segments:

GLOBAL TAM: BY SEGMENT ($B)

Global TAM for Smart Glass and Safety-Tech in 2023 is expected to be around $44bn. and is expected to reach $124bn. in 2028 with CAGR of around 22.8%.



Notes

¹For the Buildings, Passenger Vehicles, and Aeronautics segments, we consider Smart Glass

²For Safety-Tech (ADAS, CMS we considered Medium-Duty and Heavy-Duty Trucks and Buses; Drive Protection doors we considered buses only)

Architectural applications are poised to represent a significant growth opportunity as light control technologies are increasingly integrated into new building construction in windows, skylights and partitions. Approximately 80% of flat glass produced globally has been historically used in building and construction applications. Adoption of smart glass in architectural applications is expected to be driven by the need for on-demand privacy and solar heat control in both new buildings and retrofits within the residential and commercial segments.

In the automotive market, we expect to continue to benefit from the increasing adoption of light control technologies in applications such as glass rooftops, side windows and windshields. In windshields for example, our technologies replace sun visors and can enhance the performance of head-up-displays, or HUDs, by controlling contrast in varying lighting conditions. We are well-established in this space and are working with many traditional and emerging OEMs and Tier 1 suppliers to incorporate our light control technologies into their products. For example, many electric vehicles on the market today feature glass panoramic rooftops without mechanical shading in order to increase head room, as the vehicles' batteries typically occupy additional space underneath the passenger compartment. Our technologies are being embedded in these rooftops by various OEMs as a preferred solution to control light and heat, also helping to save energy and extend the driving range per charge.

From a policy perspective, both the United States and the European Union are working to promote the development of environmentally sustainable technologies. For example, in August 2022, the U.S. Federal Government passed the Inflation Reduction Act of 2022, which includes provisions from the Dynamic Glass Act that extend meaningful investment tax credits to electrically-controlled variable tint materials. The passing of these provisions is expected to further accelerate the adoption of light control technologies within architectural markets. Following the passing of the Dynamic Glass Act, the American Clean Power Association released a report stating that, as of July 31, 2023, $270 billion in capital investment had been announced for utility-scale clean energy projects and manufacturing facilities, which is equivalent to eight years' worth of American clean energy investment, surpassing total investment into U.S. clean power projects commissioned between 2015 and 2022.

In the European Union, at least 30% of the NextGenerationEU Recovery Plan, which was added to the European Union's 2021-2027 long-term budget, has been earmarked for tackling climate change and supporting environmentally-friendly projects. In 2020, the European Commission also established a framework for the European Green Deal such that the European Commission has set out to make Europe climate-neutral by 2050, which also sets the intermediate target of reducing net greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels. Additionally, in October 2023, the Council of the European Union adopted the new Renewable Energy Directive to raise the share of renewable energy in the EU's overall energy consumption to 42.5% by 2030 with an additional 2.5% indicative top-up to allow the target of 45% to be achieved.

Light Control

Advanced light control technologies can generally be classified into two basic types: (1) "passive" technologies, where the change in glass transparency is a reaction to ambient conditions such as heat or light in the surrounding environment, and (2) "active" technologies, which are controlled by the user when an electrical current is applied.

The two main types of passive light control technologies are photochromic and thermochromic. They are primarily based on thin film dyes whose molecular structure changes in response to a change in the level of UV radiation or heat, causing the glass to block the passage of light. Photochromic technologies are primarily used in eyeglasses and are not considered to have broader commercial applications for smart glass solutions due to their slow response time and poor functionality at the high and low ends of the temperature range. Photochromic glass also performs poorly in vehicles or other enclosed settings where existing glass blocks incoming UV light, which is required for photochromic glass to operate.

Thermochromic technologies on the other hand, have been adapted for smart glass solutions and there are a number of companies that currently offer thermochromic "smart" glass products. Thermochromic glass reacts to heat from direct sunlight, thus the more intense the sunlight, the darker the glass becomes. When the UV rays from the sun hits the surface of thermochromic glass, it is able to partially block both UV and infrared light, and depending on the position of the sun, the glass self-tints to block excessive heat when the sun is hottest (i.e., at its highest position in the sky). The main limitation of thermochromic glass is that it cannot be actively controlled and has a relatively slow response time that is directly proportional to the increase or decrease in sun or heat.

Since passive technologies cannot be controlled by the user, their application in a "smart" setting is limited. Active light control technologies, on the other hand, enable user control over the state of the glass. This control can be achieved manually or automatically via control panels, mobile phones, tablets and other smart devices and systems.

The three main types of active light control technologies, which we are most focused on, are LC technologies, SPD technologies and electrochromic technologies.

Liquid Crystal (LC) Technologies

PDLC LCG® - ON

PDLC LCG® - OFF

LC technologies, including polymer dispersed liquid crystal, or PDLC, sematic liquid crystal and cholesteric liquid crystal, are activated when an electrical current is applied to the material. This current causes the normally randomly aligned liquid crystal molecules to become oriented in such a way as to disperse light or allow light to pass through, thereby causing the material to change from opaque to transparent. This technology requires a constant power supply to maintain a transparent state. When in a powered state, the material is clear, allowing for full transparency; when unpowered, the material is completely opaque. Liquid crystal technologies in light control applications are commonly used when there is a need to control visible light for privacy, necessitating a fast response time. LC technologies can also enable glass to change the apparent color of light for an aesthetically-customizable environment.

Suspended Particle Device (SPD) Technologies

TOP: SPD Building Façade; Bottom: SPD Sunroof from ON to OFF in various dimming stages

SPD is an active light control technology in which an electromagnetic field is applied to the material in order to effect a change from opaque to transparent by realigning nanoparticles contained within a transparent medium. SPD regulates the amount of light and glare passing through a transparent aperture. The level of tint is adjustable and the SPD itself has a very wide dynamic range (i.e., SPD can block up to 99% of the total light transmission in an 'off' state). A continuous electrical current is required in order to maintain a desired transparency. SPD can be applied on a variety of surfaces including glass and other substrates such as polycarbonate. It is particularly suited in applications where there is a need for gradual light control, near to total black out shading and fail-to-dark functionality.

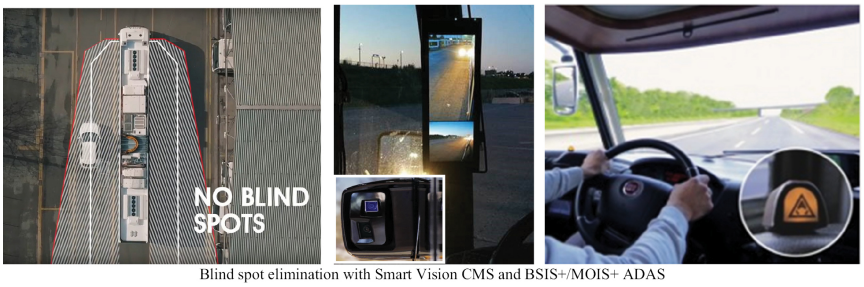
Electrochromic (EC) Technologies

Electrochromic, or EC, technology is an active light control technology that consists of a flat glass coat that includes multiple layers of metal oxide. The coated glass is fabricated into an insulated glass unit, or IGU, which can be tinted or cleared through the application of an electrical current. EC is used in flat glass applications, such as aircraft windows and commercial buildings.

Vision Control

Advanced vision control technologies, such as CMS and ADAS, are revolutionizing the commercial vehicle market by optimizing visibility to enhance the driver experience and improve safety. By monitoring and analyzing the spaces around trucks, buses and coaches, advanced vision control technologies eliminate blind spots and glare

to offer a wider field of vision than a traditional side-view and rear-view mirror system and provide clearer images of external conditions. When advanced vision control technologies are installed as original equipment or retrofitted onto existing commercial vehicles, potential driving hazards, accidents and injuries are reduced by creating a safer environment for both the operator and other road users.



Blind spot elimination with Smart Vision CMS and BSIS+/MOIS+ ADAS

Current trends in the commercial and public transportation markets increasingly favor the adoption of advanced safety features and driver assistance technologies. This trend is being supported by operators' desire to reduce costs and improve the driver experience, as well as the accelerating adoption of regulatory frameworks to enhance public safety in the European Union and United States. The growing trend of electrification of commercial vehicles is also increasing the demand for compact camera-based vision systems. Due to the increased cost of a commercial electric vehicle, operators have a strong incentive to utilize camera-based vision systems and other driver assistance technologies to protect their fleets, reduce vehicle downtime and improve safety.

The push for safer commercial transportation is driving manufacturers to integrate new, advanced technologies into their vehicle development pipelines in order to deliver improved safety features that are only possible with CMS and ADAS technologies. For instance, the European Union is mandating new regulations that require buses, coaches and trucks to incorporate ADAS technologies and warning systems to help prevent collisions with pedestrians, cyclists and other vulnerable road users, or VRUs. According to a recent research report conducted by Frost and Sullivan, the global safety tech market, including ADAS and CMS for trucks and buses and driver protection doors for buses, is expected to reach $15 billion by 2028 and to grow at a CAGR of 21.5% from 2023 to 2028. The following chart shows the expected growth in the global safety tech market:

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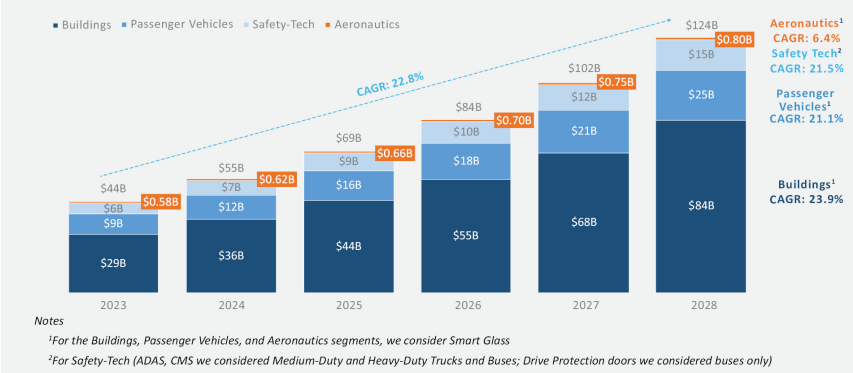

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¹For the Buildings, Passenger Vehicles, and Aeronautics segments, we consider Smart Glass

²For Safety-Tech (ADAS, CMS we considered Medium-Duty and Heavy-Duty Trucks and Buses; Drive Protection doors we considered buses only)

Our technologies aim to deliver important environmental and social benefits to our customers and are well-aligned with industry trends. Our products eliminate the need for mechanical mirrors and deliver critical financial benefits. For example, CMS technologies have been shown to reduce the maintenance and downtime costs related to bus accidents by 40% over an 18-month period, and can deliver improvements in fuel economy of up to 4%, as traditional wing mirrors add to aerodynamic drag. As such, operators' investments in advanced CMS systems typically carry a rapid payback period of two to three years while reducing total cost of ownership.

We believe that replacing traditional side-view mirrors with smart, adaptive cameras is a trend that will accelerate in the future. In December 2021, the City of London made the decision to aim to retrofit a majority of its public transportation fleet with CMS technologies and is currently evaluating which vehicles in the London bus fleet are suitable for retrofitting CMS. We anticipate a substantial number of the new buses in Europe will utilize ADAS technologies in the future, as we are seeing an increasing number of orders from the City of London for application on electric buses that incorporate these technologies. Additionally, in 2022, Mercedes adopted CMS technologies in their Actros model vehicle, which further supports our belief that CMS technologies will be rapidly adopted in the majority of new trucks and buses as well as retrofits in the coming years.

In addition to the OEM market for CMS and ADAS technologies, we see significant opportunity in retrofitting existing truck and bus fleets to address an increased focus on safety from operators and regulators. For example, in September 2022, we were sub-contracted to provide one of our customers with our ADAS technology pursuant to their contract with the city of Lyon, France, which is aiming to retrofit the city's bus fleet of approximately 900 buses with ADAS technologies to promote public safety. Similarly, in July 2023, we were chosen by a city in Australia to retrofit its full fleet of approximately 1,000 public buses with our ADAS technologies. These are strong indications of broader market adoption of CMS and ADAS solutions and opportunities to retrofit the installed base of existing truck and bus fleets.

Competitive Strengths

We believe that we have significant advantages that will enable us to continue our market leadership in light and vision control technologies and continue our business prosperity:

A global market leader in light and vision control technologies

- We are a fully-integrated, light and vision control company, leveraging our cutting-edge nanotechnology and electronics capabilities in light control and our mechatronics and image analysis technologies in vision control. We serve the large and high-growth advanced light control materials industry as well as the growing ADAS market for commercial vehicles, and we have established leadership positions across the mobility and architecture markets and are in serial production, either directly or through sub-contracts, with leading aerospace, automotive and architecture companies like Boeing, Honda, Mercedes, Ford, BMW, and Avery Dennison.
- We are a leading provider of active light control material technologies and the only company offering both SPD and LC technology, enabling a wide range of applications and capabilities for our customers across multiple end-markets. In February 2023, we acquired from Resonac Corporation (formerly Hitachi Chemical Company, Ltd., or Hitachi Chemical), or Resonac, the only other SPD film producer in the world at this time, its full SPD intellectual property portfolio, thus making us the only licensed vendor of SPD technology in the world at this time. The technologies we develop are replacing traditional mechanical products, such as shades, blinds and mirrors, with advanced and sustainable solutions offering superior functionality.
- In the aerospace market, we are a leading Tier 1 supplier for the commercial airline, business jet and helicopter segments, capable of providing fully manufactured smart glass and advanced shading solutions directly to our customers. For example, we have established a leading position for cockpit shading in commercial airliners and business jets by securing contracts with Boeing for those products, which accounted for approximately 90% of the market in cockpit shading for commercial airlines and business jets in 2024. Additionally, we are in serial production for cabin shades and Light Control Glass, or LCG, either directly or through sub-contracts, with seven of the largest OEMs in the business jet space, including Embraer, HondaJet, Bombardier, Gulfstream, Daher and Beechcraft. Furthermore, we are utilizing our technical expertise in cockpit applications to expand our robust and growing presence in

the cabin light management market. For example, in February 2022, we won a significant contract with a leading international airline for the use of our cabin light management technologies in their entire fleet of 737 Max aircraft.

- Our Tier 1 supplier status in the aerospace market also provides us with a competitive advantage in the automotive and architecture markets where we are able to leverage our glass fabrication and mechatronics capabilities to provide differentiated products and services to our customers. In the automotive market, we are a leading Tier 2 vendor of LCG and transparent displays for vehicle glazing and entered into serial production in 2023 with three leading OEMs for rooftop and side window applications. We plan to expand production to an additional four leading OEMs in 2024, including Daimler. We have entered into supply agreements with each of these OEMs to have our SPD technology installed in their new car models. In the architecture market, we have established ourselves as an industry leader in the manufacture and sale of active light control material technology across all major verticals, including commercial, retail, residential, healthcare and hospitality, for both interior and exterior applications. In September 2023, we were selected by National Geographic to provide smart glass technology for the façade of its national headquarters in Washington, D.C.
- We have a large global network of glass fabricator partners with more than 75 glass fabricators in over 30 countries across the world utilizing our technologies. Our technologies consist of differentiated products with novel value-added features, such as pre-fabricated stacks, which enable the glass industry to manufacture smart glass augmented with our films and electronics, while our training and licensing services ensure consistent and high-quality end products for our fabricator customers.
- Along with our strong industry position as a global leader in light control products, we are also a technology leader in the growing ADAS market for commercial vehicles, such as trucks, buses and coaches, and believe we are well-positioned to become the industry leader in both the OEM and retrofit markets. After decades of investment into the development of advanced mirror technology, we have expanded our product offerings into the next generation of CMS and other ADAS solutions that are focused on addressing driver blind spots and utilizing our leading image analysis capabilities to identify pedestrians, bicyclists and other VRUs in real time. Active vision control technologies have already been widely adopted in the ADAS market, and our CMS technology strengthens our position as a Tier 1 supplier and market leader in the bus and coach market due to the leading optical quality of our products. Further, we believe our CMS technology will be used in a meaningful number of installed bases in North America and Europe by 2025.

Serving large, high-growth markets supported by strong long-term secular trends

- We benefit from the rapidly increasing adoption of light and vision control technologies within a diverse set of end-markets that are aligned with long-term secular growth trends.
- The strong long-term growth outlook for demand growth is a result of multiple trends across our diverse set of end-market applications. We believe our technologies deliver important environmental, social and financial benefits to our customers and are well-aligned with industry trends towards smart building construction, electric vehicle (EV) adoption and ADAS implementation.
- Active light control materials in car windows and roofs lower automotive energy consumption by reducing air-conditioning requirements, extending the driving range of an EV by approximately 5.5%. Our active light control technologies also help architects meet their energy efficiency targets to achieve green building certifications and enhance the overall security, comfort and privacy of buildings.
- In addition to demand growth resulting from technological shifts in these key end-markets, public policy shifts are also driving a favorable long-term growth outlook for our business. For example, in August 2022, the U.S. Federal government, as part of the Inflation Reduction Act of 2022, adopted the Dynamic Glass Act which extends meaningful investment tax credits to electrically-controlled variable tint materials. The passage of this act is expected to further accelerate the adoption of active light control material technologies in the architecture and mobility markets. In 2020, the European Commission also established a framework for the European Green Deal such that the European Commission has set out to make Europe climate-neutral by 2050, which also sets the intermediate target of reducing net greenhouse gas emissions

by at least 55% by 2030, compared to 1990 levels. Additionally, in October 2023, the Council of the European Union adopted the new Renewable Energy Directive to raise the share of renewable energy in the EU's overall energy consumption to 42.5% by 2030 with an additional 2.5% indicative top-up to allow the target of 45% to be achieved. In Asia, a number of countries, including Malaysia, Singapore, Vietnam, Thailand, Japan, the Philippines, Cambodia and Laos, have published national energy transition frameworks or offered investment and tax incentives with respect to renewable energy. We expect similar legislation to follow in countries that have not yet adopted such legislation or frameworks.

- Within the aerospace market, we do not expect substantial new aircraft development by leading OEMs in the coming years. In lieu of newer models, it is our expectation that the airline sector will primarily compete based on improvements to their fleets' interior offerings, with cabin light management technologies likely to be a key differentiator. While historically OEMs such as Boeing have determined the cabin design within their aircraft, airlines are now increasingly seeking a range of options to offer for their customers, leading to more opportunities for advanced technologies such as those provided by us.

- Additionally, in the commercial vehicle market, ADAS technologies are playing a critical role in improving the drivers' vision, comfort and overall driving experience, thereby reducing the frequency of accidents. This in turn results in improved safety for commercial vehicles and reduced downtime and repair costs. CMS technologies alone have been shown to reduce the overall costs related to bus accidents by approximately 40% over an 18-month period, according to a study conducted by Geneva Public Transport, and can save up to 4% on fuel economy relative to traditional wing mirrors which add to aerodynamic drag. From a policy perspective, this technology is well-aligned with policymakers' focus on improving the safety of commercial vehicles on the road. For example, in July 2022, the European Union mandated new regulations requiring trucks, buses and coaches to be equipped with certain ADAS technologies to better prevent collisions with pedestrians, cyclists and other VRUs. According to a recent report, the global safety tech market, including ADAS and CMS for trucks and buses and driver protection doors for buses, is expected to reach $15 billion by 2028 and to grow at a CAGR of 21.5% from 2023 to 2028.

- In addition to the OEM market for ADAS and CMS technologies, there is also a significant retrofit opportunity for long-life truck and bus fleets driven by an increasing focus on safety. Since 2018, we have sub-contracted with Journeo Fleet Systems Limited (f/k/a 21st Century Fleet Systems Limited) to retrofit the City of London's bus fleet with our ADAS technologies, in line with their public initiative to promote more safety on the roads. We have seen increases in the number of buses that have adopted ADAS technologies for each year of the life of the contract, which leads us to believe that this contract is indicative of a broader shift in adoption and represents a significant market opportunity. Similarly, in July 2023, we were chosen by a city in Australia to retrofit their fleet of approximately 1,000 public buses with our ADAS technologies.

Highly complementary light and vision control technologies model drives sustainable competitive advantage

- Our business delivers complete and customized technologies to customers by leveraging our differentiated nanotechnology, material science, electronics, mechatronics and image analysis capabilities. We believe we have a competitive advantage as the only vendor to develop and market multiple active light control material technologies, while providing the most comprehensive range of solutions for light and vision control systems across a set of diverse end-markets, applications and geographies. We have a successful historical track record and a comprehensive roadmap for developing innovative products that address each market's evolving requirements, which also includes a wide range of unique product features and specifications, from temperature control and visibility control to varying transition time and durability.

- Our ability to provide full pre-fabricated stacks to glass processing customers also enables more consistent and higher quality end products with a simpler, cheaper and more efficient manufacturing process for customers. The power of our platform can be demonstrated by our contract with a leading international airline. Notably, the dimmable cabin windows that we will be producing for their 737 Max aircraft bring together our SPD and LC active light control material technologies, as well as our

mechatronics and engineering expertise to deliver an innovative and differentiated solution. Additionally, our awarded ADAS program with Ford Trucks represents a milestone industry development, as we will be working with Ford Trucks to deliver an entirely camera-equipped truck to the commercial vehicle market. We believe this will be an industry standard within the next five years and that our early entrance into this application positions us to be a market leader.

Mission-critical nature of our products and high switching costs drive customer stickiness

- Our light and vision technologies are vital to our customers' product performance and enable greater product innovation. Further, our customers often realize greater revenues from their products by incorporating our technologies. Our mobility customers generally demand the highest quality and performance specifications for light and vision systems, given the critical nature of safety in those end-markets, which they in turn verify through extensive testing and certification processes that can often last up to four years, based on our past experience with customers. Once this thorough verification process is complete and our solutions are approved, our customers are highly unlikely to switch suppliers.
- Additionally, we have fostered close, collaborative relationships with many OEMs, Tier 1 suppliers and glass fabricators who rely on our technological innovation. As such, we partner with these customers during the product development process to ensure that our solutions meet their requirements and are ultimately certified, further strengthening our relationships with our customers. As such, when our technologies are selected and incorporated into automotive and aerospace OEM production models, we typically enjoy multi-year contracts with those customers, which can, in certain circumstances, extend to the life of a production model.
- Moreover, there is a growing importance for establishing geographic proximity to customers, particularly in the architecture market, in order to increase responsiveness and shorten supply chains. We believe this is a competitive advantage for our business given our global presence as we have the ability to deliver our technologies quickly and efficiently around the world. Additionally, we are able to provide unique ancillary value-added services alongside our products, including in-field and on-site support and training programs, which we believe support close customer relationship and stickiness.

Market-leading R&D and technological innovation

- Our business maintains a track record of developing innovative solutions, and we expect to be a key player in advancing the innovation goals of our customers through our multi-disciplinary expertise across nanotechnology, material science, electronics, mechatronics and image analysis. We leverage our close customer relationships and market insights to anticipate the needs of our customers and end users, so as to invest resources in high-return projects while maintaining the flexibility to deliver customized, local solutions. Our R&D programs extend from nanoparticles and polymer chemistry through intermediate synthesis, coating formulation, emulsion and composite processing, in addition to related manufacturing and component assembly processes.
- Within our materials program, we emphasize expanding use cases for our technologies with a focus on developing greater optical range, faster switching speeds, improved temperature control and a broader array of color and pattern options. For example, we are currently developing a "Black SPD" program to meet a demand from many of our automotive and architecture customers, which we believe will significantly expand our addressable market. We are also developing a technology to control infrared-only wavelengths, thereby enabling transparent windows that offer reduced heat absorption.
- Within ADAS, we have invested significant resources into CMS and image processing algorithm systems, or IPAS, in response to novel customer requirements, positioning us as a technology leader in the commercial vehicle space. Further, we are currently developing CMS augmented by image-analysis capabilities, spatial information service, or SIS, and other features, such as driver monitoring systems, or DMS, blind spot protection, or BSP, and night-vision, which will combine ADAS and LCG into one unique system, thereby improving vehicle operator response time while reducing system costs.
- In addition to expanding our technological offerings, we have also dedicated research and development projects toward improving our manufacturing yields and proprietary production and processing capabilities, enabling us to expand our capacity to provide customers with pre-fabricated full-stacks, among

other products. We have independently-owned and operated on-site research and development centers in Israel and France as well as more than an aggregate of 141 patents and 23 patent applications with a significant book of trade secrets across our intellectual property, engineering and manufacturing platforms. As of May 17, 2024, our R&D team included 110 scientists, process engineers and other research and development team members and represented approximately 17% of our employee base. In addition to our dedicated team, we also have relationships with leading academic institutions and are currently in discussions with universities in Asia to develop electrochromic (EC) films for flexible substrates such as PET-IO, which we believe will unlock a unique set of use cases and become a preferred light control technology in certain architectural applications.

Broad base of blue chip customer and partner relationships globally

- We have developed strong, ongoing relationships with over 750 customers in more than 30 countries, including multi-national blue-chip OEMs such as Boeing, Honda, Mercedes, Ford, BMW, and Avery Dennison. In addition, we have ongoing relationships with leading glass fabricators around the world, including AGC, Nippon Sheet Glass (NSG) and LTI Smart Glass, and other industry-leading companies, such as LG Display. Over 85% of our revenue in 2022 came from recurring customers, some of whom have been customers with us for 15 years. Our deep collaboration with OEMs provides greater customer insight, driving the development of new products and processes to capture incremental growth from customer-driven innovation. Additionally, we enjoy various entry points to sell our technologies across the value chain such that we can pursue customers at what we believe to be the most receptive channel of entry. This allows us to sell at the Tier 1 supplier level, OEM level or end-customer level. Moreover, we benefit from the support of world-class strategic investors such as Hyundai, BOS and Avery Dennison, who provide a competitive advantage through their end-market insights as well as marketing and distribution partnerships.

Diverse revenue base by end-market, customer and geography

- The diverse nature of our global business model reduces the risk of exposure to any single end-market, customer or region. Each of our segments and geographies consists of various end-markets and verticals offering different demand drivers, further de-risking our revenue profile. Within mobility, we are active in the automotive, aerospace, truck, bus and coach, rail and marine end-markets. We also serve all major architectural markets, including commercial, retail, residential, healthcare and hospitality for both interior and exterior applications. We believe our breadth and diversity differentiates our business from our competitors who typically have a much narrower geographic and/or end-market application focus. In 2023, we generated approximately 22.5% of our revenues in the United States, 21.7% in Europe (excluding France), 45.8% in France, 1.4% in Israel, and 4.6% in Asia, with the remaining 4.0% generated in other countries across the world. In the same period, we generated approximately 43.4% of our revenues in the aerospace market, 38.1% in safety tech and commercial vehicle market and 18.5% in the automotive and architectural markets combined. Moreover, our customers are located in over 30 countries, with no single customer representing more than 9.3% and 9.7% of our revenue for the year ended December 31, 2023 and three months ended March 31, 2024, respectively.

Highly versatile, global manufacturing platform with differentiated capabilities

- We are a vertically-integrated company delivering superior quality products to customers on a global basis with five state-of-the-art production sites spanning across three continents. Our unique, in-house material science capabilities include the synthesis of nanoparticles and polymers, the design and production of emulsions and formulations, the application of coatings to films and the lamination of those films. We are also able to process and cut the films and build full stack products for certain customers. Additionally, we develop, manufacture and integrate our electronic drivers and components for certain products, along with the associated software. Within ADAS, our capabilities include software design, mechatronics and complex assembly of the components that comprise our solutions.
- In recent years, we have invested significant amounts of resources into our human capital, processes and equipment to increase our manufacturing scale and improve productivity to address growing customer demand. With our in-house manufacturing capabilities and expertise, our business is better positioned to add capacity and respond to changes in customer demand.

- Furthermore, we closely monitor the cost and time required to add capacity to our product verticals and opportunistically undertake expansion initiatives. In 2022, we expanded our state-of-the-art LC material synthesis facility in Tel Aviv, Israel, which we estimate can now produce LC films for approximately 180,000 square meters of material annually and we currently have plans to build a new line in this facility. Additionally, we believe our custom 11,000 square meter production facility, strategically located near Stuttgart, Germany, is capable of producing SPD film for approximately 600,000 square meters of material annually for the automotive and architecture industries. We currently estimate that we utilize approximately 25% of our PDLC production capacity in our Tel Aviv facility and approximately five to ten percent of our SPD production capacity in our Stuttgart facility, leaving ample room to grow production with minimal additional capital investment. Finally, our ADAS capabilities are supported by our facility in Lyon, France which we estimate has a current annual production capacity of approximately 10,000 CMS units and we plan to expand our annual production capacity in that facility to approximately 100,000 – 125,000 CMS units. Our proprietary production processes, IP and deep experience working with multiple technologies across a broad range of engineering and manufacturing disciplines enable greater innovation and facilitate our expansion into new markets and applications, while also driving our competitive cost position.

Compelling financial profile with strong margins and cash flow

- We have an attractive financial profile highlighted by our strong revenue growth profile and increasing profitability. Our robust revenue pipeline and backlog of identified automotive and aerospace OEM opportunities provide an attractive degree of visibility in those markets. Our aerospace and automotive customers typically operate under multi-year contracts, including cockpit shading contracts, which can, under certain circumstances, extend for the lifetime of each aircraft model. This visibility also facilitates enhanced inventory planning and raw materials purchasing flexibility, resulting in improved gross margins. We believe we have a significant opportunity to further expand our profitability via fixed operating leverage as our production begins to scale. We also expect to benefit from improved purchasing power for our raw materials and components and continued manufacturing efficiencies and productivity initiatives — we invest significant resources in our R&D program to reduce the manufacturing costs associated with our products. For example, we have successfully reduced LC film thickness from 25 microns to 20 microns, directly translating into an approximately 20% reduction in material costs for those products. We have also successfully doubled the speed of our LC line, which significantly reduces costs on a per unit basis. Within ADAS, we are developing superior technologies with fewer, higher quality cameras resulting in lower costs and improved margins. We have a rich pipeline of initiatives to further reduce costs across our material science and ADAS manufacturing operations.
- Our business utilizes a capital efficient business model which leverages a manufacturing network of five global production facilities across three continents. Our business model is inherently asset-light, which results in lower capital expenditures. This asset-light models enables strong unlevered cash flow conversion, attractive, stable returns and the ability to return capital to shareholders over time.

Experienced management team with strong track record of driving growth

Our company is led by a highly experienced and talented management team with a proven track record of driving growth. We have a diverse combination of talent across sales, operations, chemistry and engineering to deliver our next phase of growth. Our management team is led by our Co-Founder and Chief Executive Officer Eyal Peso, who founded Gauzy in 2009 and has served as CEO and Chairman of our board of directors, or the Board, since our inception. Prior to founding Gauzy, Mr. Peso served in various research & development and management roles at Alvarion. Our Chief Technology Officer and Co-Founder, Adrian Lofer, previously served as a lead research and development engineer at Alvarion and as a research and development engineer at NICE prior to that. Our Chief Financial Officer, Meir Peleg, joined the company in 2017 and brought with him more than 15 years of finance experience with over 10 years of CFO experience. Our management team has executed key strategic initiatives across the platform to drive accelerated growth and improved profitability, including developing significant partnerships with industry-leading customers, investing in new technologies and products, upgrading operational capabilities and executing the transformational acquisition and integration of Vision Lite.

While we are confident that our competitive strengths will aid us in improving our business, we are aware of the challenges and limitations to our business, including our status as an early growth stage company, our ability to continue to make technological advances and competition to win production models with OEMs and Tier 1 suppliers. As a result, we must establish many functions necessary to operate a business, including expanding our managerial and administrative structure, assessing and implementing our marketing program, implementing financial systems and controls and personnel recruitment. In addition, market acceptance of some of our products depends on the ability of market participants, including us, to resolve technical challenges for increasingly complex technologies in a timely and cost-effective manner. Consumers will also need to be made aware of the advantages of our technologies compared to competing technologies. If consumer acceptance of our technologies in the OEM market does not increase, sales may be adversely affected and we could experience a decline in revenue. Accordingly, you should consider our prospects in light of the costs, uncertainties, delays and difficulties frequently encountered by companies with a limited operating history. These risks and challenges are, among other things:

- our business and industry will require us to make technological advances to remain competitive;
- we will require additional capital to develop and expand our operations, which may not be available to us at all or on terms that are favorable when we require it;
- our marketing and growth strategy may not be successful;
- our business may be subject to significant fluctuations in operating results;
- we may not be able to attract, retain and motivate qualified professionals;
- the adoption of light and vision control technologies is still in its early stages;
- we will need to successfully anticipate customer needs and preferences in order to acquire new customers, expand our product portfolio and enter new markets, which may be challenging to do;
- we will need to balance the effects of business investment, unemployment, consumer spending behavior, and business and consumer demand on our business operations; and
- we will be exposed to the impact of potential supply chain disruptions on our business.

See "*Risk Factors — Risks Related to Our Business and Industry*" for further information about the risks we face.

Growth Strategies

Our multi-faceted growth strategy positions us to drive profitable, above-market growth in the markets we serve. The key elements of our growth strategy are to:

Capitalize on our market leadership positions to accelerate customer adoption

- The adoption of light and vision control technologies is still in its early stages with a significant runway for further penetration. As a market leader, we believe, based on our knowledge of competitor offerings, that we are well-positioned to capitalize on the accelerating demand by leveraging our best-in-class technologies and recent capacity expansions. In the automotive market, we expect to continue to benefit from the increasing adoption of active light control materials with novel applications in mirrors, sunroofs and windows. We are well established in this space and are focused on working with many OEMs to incorporate our active light control technologies into their product offerings. For example, many electric vehicles on the market today feature glass panoramic sunroofs and we are actively leveraging our existing position in the automotive market to pursue additional such opportunities. Recent regulations have required the replacement of mechanical mirrors with CMS, which enables reduced downtime and the achievement of certain safety targets. This trend is especially prominent in commercial vehicles and public transportation fleets and will continue to be an attractive tailwind for our CMS business.
- Our market leadership and reputation as an established player in CMS and active light control material technologies in mobility is further validated by the financial investment in our business by major automotive industry players such as Hyundai. We believe that we have a leading technology position in the market as a result of our expertise in image algorithm systems and are uniquely positioned in the

advancement of ADAS for trucks and other commercial vehicles, which require more advanced features. This is demonstrated by our first-of-its kind OEM arrangement for a truck with an entirely camera-based system, which we intend to build on with other mobility customers to further transform that market. We are equally renowned in the aerospace market and have developed longstanding relationships with Boeing as a Tier 1 supplier resulting in our approximately 90% share in cockpit shading systems for commercial airlines and business jets. Full-service airlines and low-cost carriers alike are increasingly focused on differentiating themselves through interior fleet upgrades, including cabin light management. Our contract with a leading international airline to retrofit their 737 Max fleet is an example of customer experience enhancements; we will continue to pursue similar opportunities directly with other airlines who now have greater flexibility for their fleets from the OEMs. We are at the forefront of innovation in the architecture space and provide the widest range of light control material technologies, as no other player currently provides both LC and SPD offerings nor caters to both the building interior and exterior. Within architecture, the passing of the Dynamic Glass Act in the United States in August 2022 has expanded green tax credits to the use of smart glass in buildings which will accelerate adoption in the architecture market and we are well-positioned to leverage our unmatched network of fabricators and film processors to capture that growth across a broad range of architectural applications. For example, in September 2023, we were selected by National Geographic to provide smart glass technology for the façade of its national headquarters in Washington D.C.

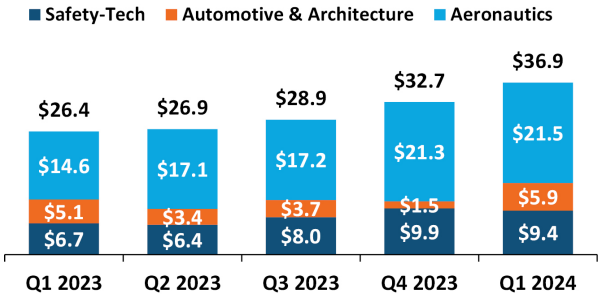
Strengthen and expand our customer relationships

We are a key partner to our large and diversified customer base consisting of glass fabricators, film processors, automobile and aircraft OEMs, airlines and municipalities, among others. As part of our unique business model, we enable the glass industry to manufacture its own smart glass by providing fabricators with materials and technologies to manufacture locally. We manage a large network of glass fabricators worldwide, allowing us to support and grow with our end customers on a global basis and we intend to expand our network to capture further demand and market share over time. We plan to continue to sign new partnerships and win contracts with leading OEMs and suppliers as they expand their own product lines across the mobility and architecture markets and look for innovative technologies to differentiate their products. While we plan to build on our leadership in CMS technologies for the truck, bus and coach market, we are also focused on expanding our ADAS offering for commercial vehicles. We believe we have a substantial opportunity with those customers given our ability to adapt our technologies to cater to the additional complexity that such vehicles require. Moreover, we plan to build on our dominant position amongst aircraft OEMs and completion centers to grow our network of airline customers given the increasing flexibility of airlines to exert more influence on cabin design decision-making.

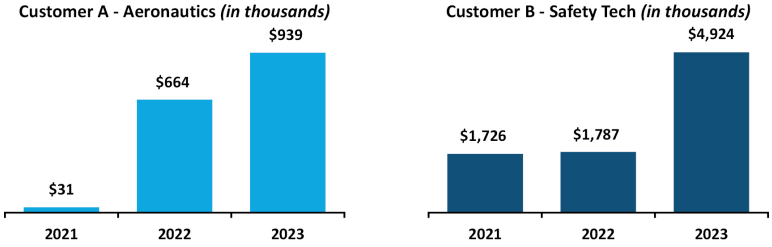
As a testament to our customer acquisition strategy, we have been successful in securing numerous key contracts in 2023. In May 2023, we entered serial production with two leading automotive OEMs, and have plans to commence serial production with four leading OEMs in 2024, including Daimler. We have entered into supply agreements with each of these OEMs to have our SPD technology installed in their new car models. Additionally, in July 2023, we signed a contract with a city in Australia to retrofit a fleet of approximately 1,000 buses with ADAS technology. Additionally, in October 2022, we were selected by the Washington Dulles International Airport to equip its interior business lounges with our patented smart glass technology and, in September 2023, we were selected by National Geographic to provide smart glass technology for the façade of its national headquarters in Washington D.C.

We enjoy revenue visibility from a growing revenue backlog that consists of customer orders and long term supply agreements with our aerospace, automotive and ADAS customers. As of March31, 2024, we had a revenue backlog of approximately $36.9 million. New supply agreements provide an attractive compounding effect on recurring revenue and visibility.

The following chart shows the revenue backlog we have as of the end of each applicable quarter. We define revenue backlog as firm orders that have not yet been shipped or have been shipped, but not yet recognized as revenue pursuant to our revenue recognition policy. For more information about how we define and calculate revenue backlog, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Key Business Metrics and Non-GAAP Financial Measures,*" and for additional information on our revenue recognition policy, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*."



The following chart shows the development of revenue generation for two specific customers, one in aerospace and the other in safety tech, for the periods specified below.



Introduce innovative new products that expand our markets

- Our technology innovation has been a cornerstone of our success throughout our history. We embrace an entrepreneurial, R&D-centric mindset supported by our well-invested manufacturing platform and dedicated team with significant expertise in material science, mechatronics, image analysis and advanced manufacturing. As of May 17, 2024, our sizable R&D organization included 110 scientists, process engineers and other research and development team members who actively manage a strong pipeline of growth initiatives and we contribute a significant portion of our budget towards research and development initiatives. We have safeguards in place to ensure that our intellectual property portfolio of patents and patent applications is secured and our technology is protected against imitation through licensing arrangements.
- We will continue to leverage these resources and capitalize on market and customer insights to expand our use cases through new innovative products and value-added features to drive growth. In particular, we believe that anticipating customer needs and preferences is an integral part of customer adoption. As a result, our business and engineering personnel become closely acquainted and develop collaborative

relationships with our customers. These close customer relationships enable us to identify and forecast the needs of our customers and draw upon our intellectual property portfolio and expertise in technology research and development to create new products and successfully position our portfolio within the ever-changing business environment. Examples of our initiatives include:

- Within our ADAS portfolio, we are currently developing CMS augmented by image analysis, BSIS, MOIS DMS, BSP, night-vision and more, including the combinations of ADAS and LCG into one unique system, to further improve vehicle operator response times and reduce system costs.
- "Black SPD" program: This program, requested by many of our automotive and architecture customers, would replace traditional blue nano particles with black ones. We believe that "Black SPD" would significantly expand our addressable market due to its improved optical quality and color.
- Infrared (IR) program: We are developing light control technologies that will only control the infrared band wavelengths, resulting in better energy and temperature control.

- We also have relationships with leading academic institutions and are currently engaged in advanced research of our own electrochromic (EC) technology applied on flexible substrates such as PET-ITO, which we believe will unlock a unique set of use cases and become a preferred light control technology in some architectural applications.

Leverage our global manufacturing footprint and operational excellence to drive margin expansion

In recent years, we have made strategic investments to expand our manufacturing capabilities. We operate as a one-stop shop and are deeply involved across our products' value chain, spanning across product development and nanoparticle synthesis through lamination and processing, enabling us to more effectively realize opportunities to reduce production costs and react faster to fluctuations in market demand. We believe there is an opportunity for significant margin expansion as we continue to scale our business and benefit from increased capacity utilization and fixed operating leverage. We also expect to benefit from improved purchasing power for our raw materials and components and continued manufacturing efficiencies and productivity initiatives driven by our research and development efforts focused on both material science and engineering. For example, we have successfully reduced LC film thickness from 25 microns to 20 microns enabling an approximately 20% reduction in material cost for select products and have also successfully doubled our LC line running speed. We have identified and have begun to implement additional projects that we expect will provide incremental net manufacturing productivity and improved margins in the coming years.

Pursue strategic acquisitions that broaden our platform and enhance our capabilities

Our industry is large and highly fragmented, and our reputation as a leading innovator provides us with an opportunity to pursue value-enhancing acquisitions that can accelerate our growth and improve our profitability. We believe we are well-positioned as an acquirer of choice due to our global presence, industry-recognized leadership in innovation, diverse manufacturing network and highly entrepreneurial, multi-cultural team with significant engineering and material science expertise. As a public company, we will have the added flexibility of financing future acquisitions through our public currency in addition to other funding sources. We have a proven track record with our successful acquisition and integration of Vision Lite and intend to target opportunities, such as our recent acquisition of Resonac's (formerly Hitachi Chemical) full SPD intellectual property portfolio, which included obtaining and learning the know-how with respect to Resonac's technical and business information related to such acquired patents, that strengthen our market position, expand our product portfolio, enhance our technologies and extend our manufacturing capabilities, including through vertical integration. We have a robust pipeline of such opportunities and will apply a selective and disciplined strategy to pursue opportunities that enhance our growth, profitability and cash flow.

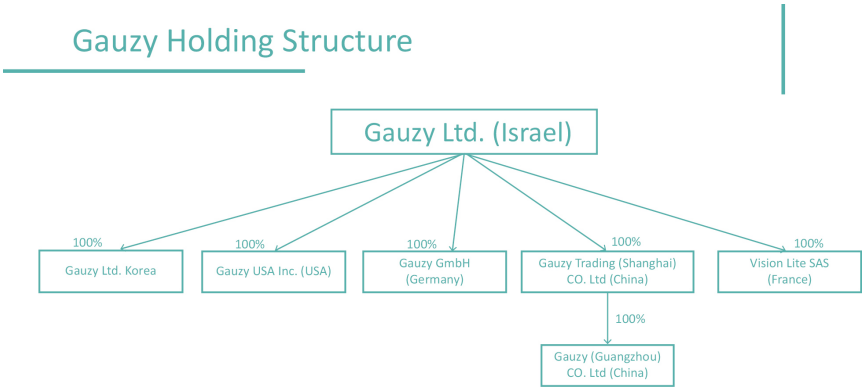
Business Combination

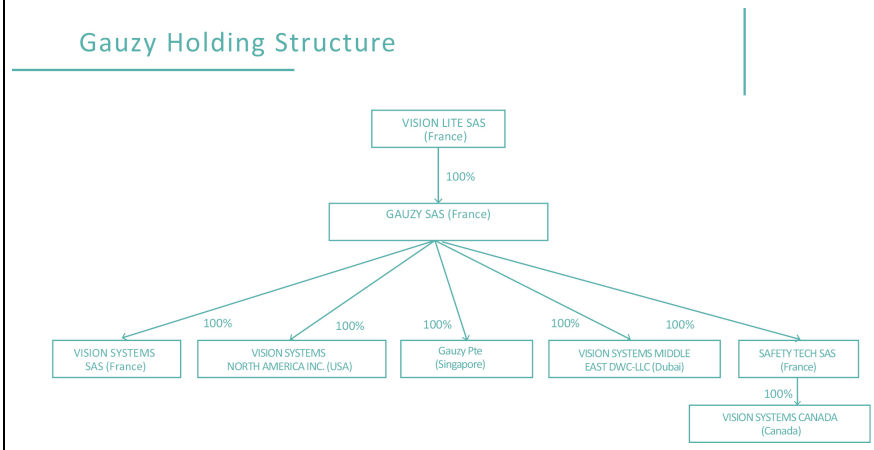
On February 7, 2021, we entered into a share purchase agreement, or the Vision Lite SPA, with the shareholders, or the Sellers, of Vision Lite SAS, a French société par actions simplifiée, or Vision Lite, as amended on July 27, 2021, January 16, 2022 and March 28, 2022, for the acquisition of Vision Lite, or the Business Combination. The Business Combination closed on January 26, 2022, or the Closing Date. The consideration for the Business Combination consisted of $23.7 million (€21.0 million) in cash, the repayment of Vision Lite's loans in an amount of approximately $12.9 million (€11.4 million) and contingent consideration of up to $5.6 million (€5.0 million), contingent on the future revenues of Vision Lite. On the Closing Date, an amount of $9.4 million (€8.4 million) was paid in cash to the Sellers, $9.4 million (€8.4 million) was paid to the escrow agent and thereafter released to the Sellers on April 12, 2022, $3.4 million (€3.0 million) was paid to the Sellers on April 28, 2022 and May 11, 2022, respectively. In addition, on May 4, 2022, $1.3 million (€1.2 million) of the consideration was paid into escrow for the purposes of providing indemnification for claims of breach of representations by the Sellers. On January 15, 2023, the $1.3 million (€1.2 million) in escrow was released to the Sellers and invested in the Company in consideration for 9,643 Preferred D Shares. In addition, $12.9 million (€11.4 million) was used to pay off the remainder of Vision Lite's loans. As of the Closing Date, we became the sole shareholder of Vision Lite.

The Vision Lite SPA also contains certain earn out provisions, or the Earn Out Agreement. The Earn Out Agreement requires the Company to pay the Sellers amounts ranging up to $5.6 million (€5.0 million), split into two payments of up to $2.8 million (€2.5 million) each, conditional on the annual revenue targets for the years ended December 31, 2022 and 2023. In March 2022, the Earn Out Agreement was amended to include two payments of up to $3.4 million (€3.0 million) each, contingent on meeting annual revenue targets for the calendar years 2022 and 2023. In June 2023, the Earn Out Agreement was amended to re-allocate the payments amongst the Sellers and set forth a payment schedule with respect to the initial $3.4 million (€3.0 million) payment, or the First Earn Out Payment. With respect to the other $3.4 million (€3.0 million) payment, the target revenue that obligates us to pay an earn out amount to the Sellers was increased to €54.4 million, or the Second Earn Out Payment. We met the annual revenue target for 2022. If any portion of the First Earn Out Payment or Second Earn Out Payment is not paid within 90 days of its relevant due date, then such amount shall bear interest at a rate of seven percent per annum. In December 2023, we further amended the Earn Out Agreement with respect to one of the Sellers (the "Amendment Seller") and paid $1.7 million (€1.5 million) of the First Earn Out Payment to the Amendment Seller and agreed to pay the remaining balance of $0.328 million (€0.3 million) of the First Earn Out Payment. In March 2024, we paid the remaining balance of the First Earn Out Payment to the Amended Seller and further amended the Earn Out Agreement such that we shall use our best efforts to pay the Amendment Seller the relevant portion of the Second Earn Out Payment, totaling $1.3 million (€1.15 million) by April 25, 2024. In the event that we do not pay such amount to the Amendment Seller by April 25, 2024, the Second Earn Out Payment shall increase to $1.4 million (€1.3 million).

Our Corporate Structure

The following diagram depicts our corporate structure, including ownership and voting control of each entity, on a post-offering basis:





Summary Risk Factors

Investing in our securities involves substantial risk. The risks described under the heading "Risk Factors" immediately following this summary may cause us to not realize the full benefits of our strengths or may cause us to be unable to successfully execute all or part of our strategy. Some of the more significant challenges include the following:

- we invest significant effort and capital seeking validation of our light and vision control products with OEMs and Tier 1 suppliers, mainly in the aeronautics and automobile markets, and there can be no assurance that we will win production models, which could adversely affect our future business, results of operations and financial condition;
- failure to make competitive technological advances will put us at a disadvantage and may lead to a negative operational and financial outcome;
- we are an early growth-stage company with a history of losses and anticipate that we expect to continue to incur significant losses for the foreseeable future;
- our operating results and financial condition have fluctuated in the past and may fluctuate in the future;
- we are exposed to high repair and replacement costs;
- we may not be able to accurately estimate the future supply and demand for our light and vision control products, which could result in a variety of inefficiencies in our business and hinder our ability to generate revenue. If we fail to accurately predict our manufacturing requirements, we could incur additional costs or experience delays;
- the estimates and forecasts of market opportunity and market growth we provide may prove to be inaccurate, and we cannot assure you our business will grow at similar rates, or at all;
- we may be unable to adequately control the capital expenditures and costs associated with our business and operations;
- we may need to raise additional capital before we can expect to become profitable from sales of our light and vision control products. This additional capital may not be available on acceptable terms, or at all. Failure to obtain this necessary capital when needed may force us to delay, limit or terminate our product development efforts or other operations;
- shortages in supply, price increases or deviations in the quality of the raw materials used to manufacture our products could adversely affect our sales and operating results;

- our business, financial condition and results of operations could be adversely affected by disruptions in the global economy caused by the ongoing conflict between Russia and Ukraine;
- we are subject to, and must remain in compliance with, numerous laws and governmental regulations across various countries concerning the manufacturing, use, distribution and sale of our light and vision control products. Some of our customers also require that we comply with other unique requirements relating to these matters;
- if we are unable to obtain, maintain and protect effective intellectual property rights for our products throughout the world, we may not be able to compete effectively in our markets;
- the market price of our ordinary shares may be volatile or may decline steeply or suddenly regardless of our operating performance, and we may not be able to meet investor or analyst expectations. You may not be able to resell your ordinary shares at or above the price you paid and may lose all or part of your investment;
- our indebtedness could adversely affect our ability to raise additional capital to fund operations, limit our ability to react to changes in the economy or our industry and prevent us from meeting our financial obligations;
- our principal shareholders, and related officers and directors beneficially own approximately 49.8% of our outstanding ordinary shares. They will therefore be able to exert significant influence over matters submitted to our shareholders for approval;
- we have no operating experience as a publicly traded company in the United States;
- if we fail to maintain proper and effective internal controls over financial reporting, our ability to produce accurate and timely financial statements could be impaired and investors' views of us could be harmed; and
- conditions in Israel could materially and adversely affect our business.

Corporate Information

We are an Israeli corporation based in Israel and were incorporated on October 26, 2009, under the name Gauzy Ltd. Our principal executive offices are located at 14 Hathiya Street, Tel Aviv 6816914, Israel. Our telephone number in Israel is +972-72-250-0385. Our website address is *www.gauzy.com.* The information contained on our website and available through our website is not incorporated by reference into and should not be considered a part of this prospectus, and the reference to our website in this prospectus is an inactive textual reference only.

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

Emerging Growth Company

As a company with less than $1.235 billion in revenue during our last fiscal year, we qualify as an "emerging growth company" as defined in the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other burdens that are otherwise applicable generally to public companies. In particular, as an emerging growth company, we:

- may present only two years of audited financial statements and only two years of related Management's Discussion and Analysis of Financial Condition and Results of Operations disclosure in our initial registration statement;
- are not required to provide a detailed narrative disclosure discussing our compensation principles, objectives and elements and analyzing how those elements fit with our principles and objectives, which is commonly referred to as "compensation discussion and analysis";
- are not required to obtain a non-binding advisory vote from our shareholders on executive compensation or golden parachute arrangements (commonly referred to as the "say-on-pay," "say-on-frequency" and "say-on-golden-parachute" votes);

- will not be required to conduct an evaluation of our internal control over financial reporting;
- are exempt from certain executive compensation disclosure provisions requiring a pay-for-performance graph and chief executive officer pay ratio disclosure; and
- are exempt from the auditor attestation requirement in the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002.

We may take advantage of these provisions for up to five years or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company upon the earlier to occur of: (1) the last day of the fiscal year in which we have total annual gross revenues of $1.235 billion or more; (2) the date on which we have issued more than $1.0 billion in nonconvertible debt during the previous three years; or (3) the date on which we are deemed to be a large accelerated filer under the rules of the SEC. We may choose to take advantage of some but not all of these reduced burdens, and therefore the information that we provide holders of our ordinary shares may be different than the information you might receive from other public companies in which you hold equity. In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards applicable to public companies. We have elected to take advantage of the extended transition period to comply with new or revised accounting standards.

Foreign Private Issuer

Upon consummation of this offering, we will report under the Securities Exchange Act of 1934, as amended, or the Exchange Act, as a non-U.S. company with foreign private issuer status. Even after we no longer qualify as an emerging growth company, as long as we continue to qualify as a foreign private issuer under the Exchange Act, we will be exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including:

- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations with respect to a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their share ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial statements and other specified information, and current reports on Form 8-K upon the occurrence of specified significant events.

We will be required to file an annual report on Form 20-F within four months of the end of each fiscal year. However, the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. As a result, you may not be afforded the same protections or information, which would be made available to you, were you investing in a U.S. domestic issuer.

We may take advantage of these exemptions until such time as we are no longer a foreign private issuer. We would cease to be a foreign private issuer at such time as more than 50% of our outstanding voting securities are held by U.S. residents and any of the following three circumstances applies: (i) the majority of our executive officers or directors are U.S. citizens or residents; (ii) more than 50% of our assets are located in the United States; or (iii) our business is administered principally in the United States.

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

THE OFFERING

Ordinary shares offered by us	4,166,667 ordinary shares
Underwriters' option to purchase additional ordinary shares	We have granted the underwriters an option, exercisable for a period of 30 days from the date of this prospectus, to purchase up to 625,000 additional ordinary shares from us.
Ordinary shares to be outstanding after this offering	18,515,675 ordinary shares (or 19,140,675 ordinary shares if the underwriters exercise their option to purchase additional ordinary shares in full).
Use of proceeds	We expect to receive approximately $65.98 million in net proceeds from the sale of ordinary shares offered by us in this offering (or approximately $76.44 million if the underwriters exercise their option to purchase additional shares in full), based upon an assumed initial public offering price of $18.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. The principal purposes of this offering are to obtain additional working capital. We intend to use substantially all of the net proceeds from this offering for general corporate purposes, including the purchase of equipment and materials for the expansion of our production lines, research and development, advertising and marketing, technology development, working capital, operating expenses and other general corporate purposes. We may also use a portion of the remaining net proceeds, if any, to acquire complementary businesses, products, services or technologies, although we have no binding agreements or commitments to do so at this time. See the section of this prospectus titled "*Use of Proceeds*" on page 70.
Risk factors	See the section of this prospectus titled "*Risk Factors*" beginning on page 28 and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in our ordinary shares.
Listing	We have applied to list our ordinary shares on the Nasdaq under the symbol "GAUZ." This offering is contingent on the listing of our ordinary shares on the Nasdaq.
Indication of Interest	OIC Growth Fund has indicated an interest to purchase, directly or by way of an affiliate, up to 833,333 of ordinary shares in this offering, which represents no more than 20% of the total ordinary shares in this offering. Because indications of interest are not binding agreements or commitments to purchase, the underwriters may determine to sell more, less or no ordinary shares in this offering to this investor, or this investor may determine to purchase more, less or no ordinary shares in this offering. The underwriters will receive the same underwriting discounts and commissions on any ordinary shares purchased by this investor as they will on any other ordinary shares sold to the public in this offering. See "Underwriting."

The number of the ordinary shares to be issued and outstanding immediately after this offering as shown above assumes that all of the ordinary shares offered hereby are sold, and is based on 5,277,268 ordinary shares issued and outstanding as of March 31, 2024, together with (i) 4,693,318 ordinary shares issuable upon the conversion of all outstanding shares of our redeemable convertible preferred shares upon the consummation of this offering assuming an initial public offering price per share of $18.00, the midpoint of the price range set forth on the cover of this prospectus, (ii) the issuance of 496,244 ordinary shares upon the exercise of warrants upon consummation of this offering that were originally issued in our convertible loan agreements and Israeli bank financing and (iii) the issuance of 3,882,178 ordinary shares upon the conversion of loan amounts under our convertible loan agreements upon consummation of this offering, and excludes the following:

- 1,772,273 ordinary shares issuable upon exercise of warrants to purchase ordinary shares outstanding as of such date;
- 1,298,595 ordinary shares issuable upon the exercise of options to directors, employees and consultants under our 2016 Share Award Plan outstanding as of such date, at a weighted average exercise price of $0.07, of which 879,065 were vested as of such date; and
- 394,927 ordinary shares reserved for future issuance as of such date under our 2016 Share Award Plan.

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

- a 4.390914-for-1 share split of our ordinary shares, effected onMay 28, 2024;
- an initial public offering price of $18.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus;
- no exercise of the outstanding warrants and options described above, except 496,244 ordinary shares issuable upon the exercise of warrants in connection with this offering that were originally issued in our convertible loan agreements and Israeli bank financing;
- no exercise by the underwriters of their option to purchase up to625,000 additional ordinary shares in this offering;
- the conversion of all of our outstanding redeemable convertible preferred shares into an aggregate of 4,693,318 ordinary shares immediately prior to the closing of this offering;
- and the issuance of 3,882,178 ordinary shares upon the conversion of loan amounts under our convertible loan agreements; and
- the adoption of our amended and restated articles of association to be effective upon the closing of this offering, or the Amended Articles (other than the elimination of the par value of our ordinary shares), which will replace our amended and restated articles of association as currently in effect.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA

The following tables set forth our summary historical consolidated financial data as of and for the periods presented. The summary historical consolidated financial data for the years ended December 31, 2023 and 2022 are derived from our audited consolidated financial statements and the related notes appearing elsewhere in this prospectus. The summary historical consolidated financial data for the three months ended March 31, 2024 and 2023 and as of March 31, 2024 have been derived from our unaudited consolidated financial statements and the related notes contained elsewhere in this prospectus. The historical results presented below are not necessarily indicative of financial results to be achieved in future periods, and our interim results are not necessarily indicative of results to be expected for a full fiscal year or any other interim period, and should be read in conjunction with the sections titled *"Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations,"* and our audited and unaudited consolidated financial statements and accompanying notes, which are included elsewhere in this prospectus.

(in thousands of USD, except share and per share data)	Year Ended December 31,		Three Months Ended March 31,	
	2022	**2023**	**2023**	**2024**
Statements of Operations Data:				
Revenues	$ 49,033	$ 77,980	$ 17,433	$ 24,729
Cost of revenues	37,457	55,992	12,288	18,007
Depreciation and amortization	1,889	2,047	481	507
Total cost of revenues	39,346	58,039	12,769	18,514
Gross profit	9,687	19,941	4,664	6,215
Research and development expenses	12,216	16,035	3,445	4,381
General and administrative expenses	12,856	16,187	2,612	6,129
Sales and marketing expenses	10,693	15,302	2,911	4,290
Depreciation and amortization	3,711	3,664	896	1,021
Other expenses	2,594	747	358	25
Operating loss	32,383	31,994	5,558	9,631
Financial expenses, net	5,476	47,122	12,947	3,554
Other income	—	(32)	—	—
Loss before income tax	37,859	79,084	18,505	13,185
Income tax	44	183	14	62
Loss for the period	$ 37,903	$ 79,267	$ 18,519	$ 13,247
Other comprehensive loss				
Net Actuarial gain	(555)	367	364	(235)
Currency translation adjustments	2,410	(1,151)	(807)	587
Fair value gain (loss) on changes of own credit risk	(113)	(443)	(105)	5,621
Total other comprehensive loss	1,742	(1,227)	(548)	5,973
Total comprehensive loss	$ 39,645	$ 78,040	$ 17,971	$ 19,220
Loss per share, basic and diluted	(13.65)	(18.19)	(6.63)	(2.51)
Weighted average number of shares outstanding used in computation basic and diluted loss per share	2,776,678	4,356,665	2,793,004	5,276,210

(in thousands of USD)	As of March 31, 2024		
	Actual	Pro Forma[1] *(Unaudited)*	Pro Forma As Adjusted[2]
Balance Sheet Data:			
Cash and cash equivalents	$ 2,419	$ 8,619	74,595
Working capital[3]	$ (6,074)	126	66,102
Total assets	$ 125,783	131,983	197,959
Total liabilities	$ 209,197	135,190	135,190
Redeemable convertible preferred shares	$ 70,537	$ —	—
Total shareholders' equity (capital deficiency)	$ (153,951)	(3,207)	62,768

(1) The pro forma data gives effect to the conversion of all of our outstanding redeemable convertible preferred shares into an aggregate of 4,693,318 ordinary shares, the issuance of 496,244 ordinary shares upon the exercise of warrants in connection with this offering that were originally issued in our convertible loan agreements and Israeli bank financing and the issuance of 3,882,178 ordinary shares upon the conversion of loan amounts under our convertible loan agreements, assuming an initial public offering price per share of $18.00, the midpoint of the price range set forth on the cover of this prospectus, as if such conversions and exercises had occurred on March 31, 2024.

(2) The pro forma as adjusted data gives further effect to the sale of ordinary shares in this offering at an initial public offering price of $18.00 per ordinary share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, as if the sale had occurred on March 31, 2024. Each $1.00 increase (decrease) in the assumed initial public offering price of $18.00 per ordinary share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, working capital, total assets and shareholders' equity (capital deficiency) by $3.875 million, assuming that the number of ordinary shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of 1.0 million ordinary shares offered by us at the assumed initial public offering price would increase (decrease) each cash and cash equivalents, working capital, total assets and shareholders' equity (capital deficiency) by $16.74 million.

(3) We define working capital as current assets less current liabilities. See our consolidated financial statements and the related notes included elsewhere in this prospectus for further details regarding our current assets and current liabilities.

Selected Other Data:

(in thousands of USD)	Year Ended December 31,		Three Months Ended March 31,	
	2022	2023	2023	2024
Revenue backlog[1]	$ 19,680	32,694	26,432	36,852
EBITDA[1] [2]	$ (26,783)	(26,251)	(4,181)	(8,103)
Adjusted EBITDA[1] [2]	$ (20,000)	(20,697)	(2,801)	(4,751)
Adjusted EBITDA Margin	(40.8)%	(26.5)%	(16.1)%	(19.2)%
Free Cash Flow[1] [2]	$ (33,051)	(37,044)	(5,416)	(8,357)

(1) See the definition of key performance indicators in "Management's Discussion and Analysis of Financial Condition and Results of Operations — Key Business Metrics and Non-GAAP Financial Measures."

(2) EBITDA and Adjusted EBITDA are supplemental measures of our performance that are not required by, or presented in accordance with, GAAP. Neither EBITDA nor Adjusted EBITDA should be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP.

We define "EBITDA" as our net loss excluding net financial expense, tax expense and depreciation and amortization. We define "Adjusted EBITDA" as EBITDA (as defined above) excluding acquisition related costs, one-time expenses and equity-based compensation expenses. EBITDA and Adjusted EBITDA were included in this prospectus because they are key metrics used by management and our board of directors to assess our financial performance. We defined "Adjusted EBITDA Margin" as Adjusted EBITDA for the period divided by revenue for the same period. We define "Free Cash Flow" as net cash used in operating activities less capital expenditures. EBITDA, Adjusted EBITDA and Free Cash Flow are frequently used by analysts, investors and other interested parties to evaluate companies in our industry. Management believes that EBITDA, Adjusted EBITDA and Free Cash Flow are appropriate measures of operating performance because they eliminate the impact of expenses that do not relate directly to the performance of the underlying business.

None of EBITDA, Adjusted EBITDA or Free Cash Flow are a GAAP measure of our financial performance or liquidity and should not be considered as an alternative to net loss as a measure of financial performance, as an alternative to cash flows from operations as a measure of liquidity, or as an alternative to any other performance measure derived in accordance with GAAP. None of EBITDA, Adjusted EBITDA or Free Cash Flow should be construed as an inference that our future results will be unaffected by unusual or other items. Management compensates for these limitations by relying on our GAAP results in addition to using EBITDA, Adjusted EBITDA and Free Cash Flow as supplemental measures. Our measure of EBITDA, Adjusted EBITDA and Free Cash Flow is not necessarily comparable to similarly titled captions of other companies due to different methods of calculation.

The following table reconciles EBITDA, Adjusted EBITDA and Free Cash Flow to Net Loss the most directly comparable GAAP measure:

		Year Ended December 31,		Three Months Ended March 31,	
(in thousands of USD)		**2022**	**2023**	**2023**	**2024**
Net Loss	$	(37,903)	(79,267)	(18,519)	(13,247)
Income tax expense (income)	$	44	183	14	62
Financial (income) expenses, net	$	5,476	47,122	12,947	3,554
Depreciation and amortization	$	5,600	5,711	1,377	1,528
EBITDA	$	(26,783)	(26,251)	(4,181)	(8,103)
Acquisition related costs and debt raising costs	$	2,339	2,006	75	1,331
Non-cash fair value adjustments[(1)]	$	2,594	747	896	25
Equity-based compensation expense	$	1,678	2,567	422	2,160
Doubtful debt expenses[(2)]	$	172	234	(13)	(164)
Adjusted EBITDA	$	(20,000)	(20,697)	(2,801)	(4,751)

	Year Ended December 31,		Three Months Ended March 31,	
(in thousands of USD)	**2022**	**2023**	**2023**	**2024**
Net cash used in operating activities	(29,755)	(31,115)	(3,993)	(6,938)
Capital expenditures[(3)]	(3,296)	(5,929)	(1,423)	(1,420)
Free Cash Flow	(33,051)	(37,044)	(5,416)	(8,358)

(1) One-time expenses related to the Earn Out Agreement with the Sellers.
(2) Doubtful debt expenses related to accounts receivable that we do not expect to collect; such amounts are not included in our net trade receivables.
(3) Capital expenditures mainly include expenditures related to leasehold improvements and production line and laboratory equipment. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Capital Expenditures*" for more information.

RISK FACTORS

Investing in our ordinary shares involves a high degree of risk. You should carefully consider the risks and uncertainties described below, in addition to the other information set forth in this prospectus, including the consolidated financial statements and the related notes included elsewhere in this prospectus, before purchasing our ordinary shares. If any of the following risks actually occurs, our business, financial condition, cash flows and results of operations could be negatively impacted. In that case, the trading price of our ordinary shares would likely decline and you might lose all or part of your investment. Additional risks and uncertainties that we are unaware of or that we deem immaterial may also become important factors that adversely affect our business, financial condition, cash flows and results of operations.

Risks Related to Our Business and Industry

We invest significant effort and capital seeking validation of our light and vision control products with OEMs and Tier 1 suppliers, mainly in the aeronautics and automobile markets, and there can be no assurance that we will win production models, which could adversely affect our future business, results of operations and financial condition.

Our light and vision control products are technologically complex, incorporate many technological innovations, and are subject to rigorous testing and certification. We invest significant effort and capital with OEMs, and Tier 1 suppliers to seek validation of our light and vision control products in the end products manufactured by OEMs, such as vehicles, trains, commercial jets and helicopters, which we refer to as a "design win." The development cycles of our light and vision control products with new OEMs and Tier 1 supplier customers are approximately one to four years following a design win, based on our past experience with customers. These development cycles result in our investing of resources prior to realizing any revenues.

The OEM acquires our products either directly from us or through a Tier 1 supplier, which integrates our light and vision control products into a complete product that it manufactures. These OEMs and suppliers undertake extensive testing or qualification processes prior to placing orders for large quantities of our light and vision control products because such products will function as part of a larger system or product and must meet specifications that we do not control or dictate. As such, the OEM and Tier 1 supplier customers generally must make significant commitments of resources to test and validate our products before including them in any particular end product. We could expend our resources without success and if we do not achieve a design win with respect to a particular end product, we may not have an opportunity to supply our products to the OEM or Tier 1 supplier for that end product for a period of many years. After a design win, it is typically quite difficult for a product or technology that did not receive the design win to displace the winner until the OEM or Tier 1 supplier issues a new request for quote, or RFQ, because it is very unlikely that an OEM or Tier 1 supplier will change complex technology. In addition, the company with the winning design may have an advantage with the OEM or Tier 1 supplier going forward because of the established relationship between the winning firm and such OEM or Tier 1 supplier, which could make it more difficult for such company's competitors to win the designs for other production models. If we fail to win a significant number of OEM design competitions in the future, our business, results of operations and financial condition would be adversely affected.

Further, we are subject to the risk that an OEM or supplier customer cancels or postpones implementation of our technologies, as well as that we will not be able to implement our technologies successfully. Further, our sales could be less than forecast if the end product is unsuccessful, including reasons unrelated to our technologies. Long development cycles and product cancellations or postponements may materially adversely affect our business, results of operations and financial condition.

Failure to make competitive technological advances will put us at a disadvantage and may lead to a negative operational and financial outcome.

Continuing technological changes in the market for our light and vision control products could make our products less competitive or obsolete, either generally or for particular applications. Our future success will depend upon our ability to develop and introduce a variety of new capabilities and enhancements to our existing product and service offerings, as well as introduce a variety of new product offerings, to address the changing needs of the markets in which it offers products. Delays in introducing new light and vision control products and enhancements, the failure to choose correctly among technical alternatives or the failure to offer innovative products

or enhancements at competitive prices may cause existing and potential customers to purchase our competitors' products. If we are unable to devote adequate resources to develop new products or cannot otherwise successfully develop new products or enhancements that meet customer requirements on a timely basis, our products may no longer be as marketable as compared to competitors and we could lose a substantial portion of our market share in those products, resulting in a potential decline in our revenue and greater operating losses.

In addition, research and development activities are inherently uncertain, and as such, we might encounter practical difficulties in commercializing our research and development results, which could result in excessive research and development expenses or delays. If we are unable to keep up with technological developments in the industry and anticipate market trends, or if new technologies render our technologies or solutions obsolete, customers may no longer be attracted to our products. As a result, our business, results of operations and financial condition would be materially and adversely affected.

We are an early growth stage company with a history of losses and anticipate that we will continue to incur significant losses for the foreseeable future.

We have incurred net losses since our inception in 2009. We have incurred an accumulated deficit of approximately $171.8 million as of December 31, 2023. For the years ended December31, 2022 and 2023, we had net losses of $37.9 million and $79.3 million, respectively, and for the three months ended March31, 2024 and 2023, we had net losses of $13.2 million and $18.5 million, respectively.

We have devoted substantially all of our financial resources to develop our light and vision control technologies. We have financed our operations primarily through the issuance of equity and debt securities as well as loans. We do not expect to be profitable for the foreseeable future as we invest in our business, build capacity and ramp up operations, and we cannot assure you that we will ever achieve or be able to maintain profitability in the future. Failure to become profitable would materially and adversely affect the value of your investment. The amount of our future net losses will depend, in part, on the rate of penetration in the markets we are targeting, the rate of our future expenditures and our continued ability to obtain funding through the issuance of our securities, strategic collaborations or grants. We anticipate that our expenses will increase substantially if and as we:

- continue the development of our products for a wider portfolio of products;
- establish a sales, marketing, distribution and technical support infrastructure to support the ramp up of our operations;
- seek to identify, assess, acquire, license, and/or develop other light and vision control technologies and products and subsequent generations of our current product line;
- seek to maintain, protect, and expand our intellectual property portfolio;
- seek to attract and retain skilled personnel; and
- create additional infrastructure to support our operations as a public company and our product development.

Our operating results and financial condition have fluctuated in the past and may fluctuate in the future.

Even if we are successful in expanding the adoption of our light and vision control products, our operating results and financial condition may fluctuate from quarter to quarter and year to year and are likely to continue to vary due to several factors, many of which will not be within our control. If our operating results do not meet the guidance that we may provide to the marketplace or the expectations of securities analysts or investors, the market price of the ordinary shares will likely decline. Additionally, it is and may be difficult for us to project our operating results on both a quarterly and annual basis due to several factors, many of which are not and will not be within our control. Fluctuations in our operating results and financial condition may be due to several factors, including those listed below and those identified throughout this "Risk Factors" section:

- the degree of market penetration of our light and vision control products and services;
- the mix of products and services that we sell during any period;
- long sale cycles;

- changes in the amount that we spend to develop, acquire or license new products, technologies or businesses;
- changes in the amounts that we spend to promote our products and services;
- changes in the cost of satisfying our warranty obligations and servicing our installed base of systems;
- delays between our expenditures to develop and market new or enhanced products and the generation of sales from those products;
- development of new competitive products and services by others;
- difficulty in predicting sales patterns and reorder rates that may result from a multi-tier distribution strategy associated with new product categories;
- litigation or threats of litigation, including intellectual property claims by third parties;
- changes in accounting rules and tax laws;
- changes in regulations and standards;
- the geographic distribution of our sales;
- our responses to price competition;
- general economic and industry conditions that affect end-user demand and end-user levels of product design and manufacturing;
- changes in interest rates that affect returns on our cash balances and short-term investments;
- changes in foreign currency exchange rates that affect the value of our net assets, future revenues, and expenditures from and/or relating to our activities carried out in those currencies; and
- the level of research and development activities by us.

Due to all of the foregoing factors, and the other risks discussed herein, you should not rely on quarter-to-quarter comparisons of our operating results as an indicator of our future performance.

We are exposed to high repair and replacement costs.

We are responsible for repair and replacement costs of defective products we supply to our customers. Certain of our products, such as building facades and glass panoramic rooftops of passenger cars, typically have a higher unit and labor service cost in the event of replacement. Our OEM customers as well as government regulators have the ability to initiate recalls of safety products, which also place us at risk for the administrative costs of the recall, even in situations where we dispute the need for a recall or the responsibility for any alleged defect. An increase in the number of repair and replacement claims could lead to higher self-insured retentions and reduced insurance coverage limits. The obligation to repair or replace defective products could have a material adverse effect on our operations and profitability. To the extent such obligation arises as a result of a product recall, we may face reputational damage, and the combination of administrative and product replacement costs could have a material adverse effect on our profitability. See also "*Risk Factors — Risks Related to Regulations — Our business could be adversely affected if we fail to maintain product quality and product performance at an acceptable cost or if we incur significant losses, increased costs or harm to our reputation or brand as a result of product liability claims or product recalls.*"

We may not be able to accurately estimate the future supply and demand for our light and vision control products, which could result in a variety of inefficiencies in our business and hinder our ability to generate revenue. If we fail to accurately predict our manufacturing requirements, we could incur additional costs or experience delays.

It is difficult to predict our future revenue and appropriately budget for our expenses, and we may have limited insight into trends that may emerge and affect our business. We anticipate being required to provide forecasts of our demand to our current and future suppliers prior to the scheduled delivery of products to potential customers. If we overestimate our requirements, our suppliers may have excess inventory, which indirectly would increase our

costs. If we underestimate our requirements, our suppliers may have inadequate inventory, which could interrupt manufacturing of our products and result in delays in shipments and revenue. In addition, lead times for materials and components that our suppliers order may vary significantly and depend on factors such as the specific supplier, contract terms and demand for each component at a given time. If we fail to order sufficient quantities of product components in a timely manner, the delivery of our products to our potential customers could be delayed, which would harm our business, financial condition and operating results.

The estimates and forecasts of market opportunity and market growth included in this prospectus may prove to be inaccurate, and we cannot assure you our business will grow at similar rates, or at all.

The estimates and forecasts of market size and opportunity and of market growth are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The estimates and forecasts in this prospectus of the size of the markets that we may be able to address and the growth in these markets are subject to many assumptions and may prove to be inaccurate. Further, we may not be able to address fully the markets that we believe we can address, and we cannot be sure that these markets will grow at historical rates or the rates we expect for the future. Even if we are able to address the markets that we believe represent our market opportunity and even if these markets experience the growth we expect, we may not grow our business at similar rates, or at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is subject to many risks and uncertainties. Accordingly, the estimates and forecasts of market size and opportunity and of market growth included in this prospectus may not be indicative of our future growth.

We may be unable to adequately control the capital expenditures and costs associated with our business and operations.

We have required significant capital to develop and grow our brand and suite of products. We expect to make additional capital expenditures and incur substantial costs in connection therewith, which could include, but is not limited to, costs associated with scaling up our operations as we grow, costs associated with identifying and committing resources to investigate new areas of demand, cost associated with research and development, and costs associated with being a public company in the United States. Our ability to become profitable in the future will not only depend on our ability to expand our market penetration in the markets we are targeting but also to control our capital expenditures and costs. As we expand our product offering and customer base, we will need to manage costs effectively to sell those products at our expected margins. If we are unable to cost efficiently design, manufacture, market, sell and distribute and service our light and vision control products, our business prospects, our financial condition, results of operations, and cash flows would be materially adversely affected.

We may need to raise additional capital before we can expect to become profitable from sales of our light and vision control products. This additional capital may not be available on acceptable terms, or at all. Failure to obtain this necessary capital when needed may force us to delay, limit or terminate our product development efforts or other operations.

Based on our current business plan, we believe our current cash and cash equivalents and anticipated cash flow from operations, will be sufficient to meet our anticipated cash requirements over at least the next 12 months from the date of this prospectus. Even after completion of this offering, we may need to raise additional capital before we can expect to become profitable from sales of our light and vision control products and may raise additional capital to expand our business, to pursue strategic investments, to take advantage of financing opportunities or for other reasons. 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. 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 products. In addition, we cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. Moreover, the terms of any financing may adversely affect the holdings or the rights of our shareholders 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 further indebtedness could result in increased fixed payment obligations, and we may be required to agree to additional 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 products 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 commercialization of our products or be unable to expand our operations or otherwise capitalize on our business opportunities, as desired, which could materially adversely affect our business, financial condition and results of operations.

Our indebtedness could adversely affect our ability to raise additional capital to fund operations, limit our ability to react to changes in the economy or our industry and prevent us from meeting our financial obligations.

In November 2023, we entered into a note purchase agreement pursuant to which a credit facility was extended to Vision Lite in an aggregate principal amount of $60.0 million that may be utilized and drawn down by way of issuance and sale of senior secured notes by the issuer to the note purchaser. As of the date of this prospectus, $25.0 million of the commitment has been utilized and drawn down. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Indebtedness — November 2023 Note Purchase Agreement*" for more information.

In addition, the note purchase agreement contains restrictive covenants that limit our ability to engage in activities that may be in our long-term best interest. For example, under the note purchase agreement, we are required to maintain an unrestricted cash balance of at least $1.5 million, and are subject to limitations on incurrence of additional financial indebtedness and granting of liens, subject to certain customary exceptions, as well as other operating restrictions that could adversely impact our ability to conduct our business. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of the note purchase agreement, which would have a material adverse effect on our business, financial condition and results of operations. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Indebtedness — November 2023 Note Purchase Agreement*" for more information.

In January 2024, we entered into a note purchase agreement pursuant to which the note purchasers thereunder extended financing to Vision Lite in the principal amount of $23.5 million that may be utilized and drawn down by way of issuance and sale of senior secured notes by Vision Lite to the note purchasers. In addition, in January 2024, we amended the note purchase agreement pursuant to which the note purchasers made available to us an additional commitment in the principal amount of up to $2.5 million that may be utilized and drawn down by way of issuance and sale of additional senior secured notes by Vision Lite to the note purchasers. In April 2024, the $2.5 million additional commitment has been utilized by way of issuance and sale of additional senior secured notes by Vision Lite to the note purchasers. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Indebtedness — OIC 2024 Note Purchase Agreement*" for more information.

If we cannot generate sufficient cash flow from operations to service our debt, we may need to further refinance our debt, dispose of assets or issue equity to obtain necessary funds. We do not know whether we will be able to do any of this on a timely basis, on terms satisfactory to us, or at all. Our indebtedness could have material consequences, including:

- making it more difficult for us to satisfy our obligations with respect to other debt we have or may incur in the future;
- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements;
- requiring us to dedicate a substantial portion of our cash flows to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes;
- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our flexibility in planning for and reacting to changes in the industry in which we compete;
- placing us at a disadvantage compared to other, less leveraged competitors; and
- increasing our cost of borrowing.

Shortages in supply, price increases or deviations in the quality of the raw materials used to manufacture our products could adversely affect our sales and operating results.

Our contracts with key suppliers are typically short term in nature, with terms generally ranging from several months to years. While we do not rely on any single supplier for the majority of our raw materials, we do obtain certain raw materials from a single or limited number of suppliers. If one or more suppliers were unable to satisfy our requirements for particular raw materials, we believe alternative sources of supply would be available. However, we could experience a disruption to our operations as alternative suppliers are identified and qualified and new supply arrangements are entered into, especially with respect to our light and vision control products, and we cannot be sure we will be able to identify alternative sources of supply rapidly, without incurring significant costs or at all. In addition, in some of our markets, such as aeronautics, materials and suppliers are preapproved by our clients, which may make it more difficult and costly to identify alternative sources of supplies.

In the event of an industry-wide general shortage of our raw materials, a shortage affecting or causing a discontinuation in providing any such raw materials by one or more of our suppliers or a supplier's declaration of *force majeure*, we may not be able to arrange for alternative sources of such materials on a timely basis or on equally favorable terms. As we increase our use of such materials and introduce new materials into our manufacturing processes, we may be unable to obtain adequate quantities of such new raw materials in a timely manner. Any such shortage may materially adversely affect our production process as well as our competitive position as compared to companies that are able to source their raw materials more reliably or at lower cost.

In addition, significant increases in the cost of the raw materials used to manufacture our products could adversely affect our operating results. The cost of some of the raw materials we use in the manufacture of our products is subject to significant price volatility. Additionally, increased costs in energy could result in higher transportation, freight and other operating costs. We have not entered into hedges of our raw material costs, and our supply contracts with our major vendors do not contain obligations to sell raw materials to us at a fixed price. Accordingly, we are exposed to the risk of increases in the market prices of raw materials used in the manufacture of our products.

Our results of operations have been affected in the past by changes in the cost of resins, and we expect that our results of operations in the future will continue to be affected by changes in resin costs. In the event of an increase in the cost of resins or other raw materials, we may not be able to recover the increases through corresponding increases in the prices of our products. Even if we are able to increase prices over time, we may not be able to increase prices as rapidly as the increase in our costs. If we are unable to increase our prices or experience a delay in our ability to increase our prices or to recover such increases in our costs, our gross profit will suffer. In addition, increases in the price of our products to compensate for increased costs of raw materials may reduce demand for our products and adversely affect our competitive position as compared to products made of other materials, such as wood and metal, that are not affected by changes in the price of resins and some of the other raw materials that we use in the manufacture of our products.

We are dependent upon the ability of our suppliers to consistently provide raw materials that meet our specifications, quality standards and other applicable criteria. Our suppliers' failure to provide raw materials that meet such criteria could adversely affect production schedules and our product quality, which in turn could materially adversely affect our business, financial condition and results of operations.

Any significant disruption to our production lines or the failure of our facilities to operate according to our expectations could have a material adverse effect on our results of operations.

With respect to the manufacturing of our LC, SPD and composite, we rely on production lines in our five main facilities. We currently manufacture our light and vision control products at four different sites, which include our facilities in Israel, Germany, France, and Florida, and we generally do not have redundant production capabilities that would enable us to shift production of a particular product rapidly to another facility in the event of a loss of one of or a portion of one of our manufacturing facilities. A catastrophic loss of the use of one or more of our manufacturing facilities due to pandemics, including the COVID-19 pandemic, accident, fire, explosion, labor issues, tornado, other weather conditions, natural disasters, condemnation, cancellation or non-renewals of leases, terrorist attacks or other acts of violence or war or otherwise could have a material adverse effect on our production capabilities. Any stoppages, malfunction, or destruction of our operational lines could adversely affect our ability to meet customer demand or manufacture our products. In addition, we may experience delays in realizing our cost targets in the event that there is an increase in the costs of maintenance of the equipment, machinery and facility used in production. Operational

problems with our manufacturing equipment could result in the personal injury to or death of workers, the loss of production equipment, damage to manufacturing facilities, monetary losses, delays and unanticipated fluctuations in production. Although safety incidents have not materially impacted our operations or financial conditions to date, such safety incidents, which we have experienced from time to time, could damage machinery or product, slow or stop production, or harm employees and may also lead to potential claims. In addition, operational problems may result in environmental damage, administrative fines, increased insurance costs and potential legal liabilities. All of these operational problems could have a material adverse effect on our business, results of operations, cash flows, financial condition or prospects.

Our insurance coverage may be inadequate to protect against the potential hazards incident to our business.

We maintain property, product liability, and casualty insurance coverage, but such insurance may not provide adequate coverage against potential claims, including losses resulting from interruptions in our production capability, product liability claims relating to the products we manufacture or claims relating to safety incidents. Consistent with market conditions in the insurance industry, premiums and deductibles for some of our insurance policies have been increasing and may, in the future, increase substantially. In some instances, some types of insurance may become available only for reduced amounts of coverage, if at all. In addition, our insurers could deny coverage for claims. If we were to incur a significant liability for which we were not fully insured or that our insurers disputed, our business, financial condition or results of operations could be materially adversely affected.

While providing certain enhancements to safety features and other advanced benefits, our cameras in ADAS have inherent limitations and may suffer from technical failures.

While we believe that combining cameras with video displays provides a more robust product by addressing all driving conditions in a single solution that can be controlled by the vehicles' cameras, when used as the primary rear vision delivery mechanism, this product has some inherent limitations such as: (i) the inherent likelihood of electrical failure, (ii) cameras being blocked or obstructed by surrounding objects as well as camera angle limitations and (iii) depth perception limitations. Operational problems with our ADAS system could result in the personal injury to or death of a driver, which in turn could have a material adverse effect on our business, results of operations, cash flows, financial condition or prospects.

Our future growth and success is highly dependent upon large-scale adoption of our light and vision control products in the markets we compete.

While we have established ourselves as a leading light and vision control technologies company in the markets that we compete, namely the automotive, transportation, architecture and aeronautic markets, our future growth depends upon large-scale adoption of our light and vision control products. Although we anticipate continued market penetration for our light and vision control products, there is no guarantee of such future demand, or that our products will remain competitive in the market. If the market for our light and vision control products does not develop as we expect, or develops more slowly than we expect, or if demand for our products decreases in our markets, our business, prospects, financial condition and operating results could be harmed. The market for our products could be affected by numerous factors, such as:

- perceptions about our light and vision control products' features, quality, safety, performance and cost;
- competition, including from other types of light and vision control technologies;
- the cost premium of light and vision control technologies;
- government regulations and economic incentives; and
- our ability to scale up our operations to meet anticipated demand.

We rely on complex machinery for our operations.

We rely heavily on complex machinery for our operations and the production of our products, which may occasionally suffer unexpected malfunctions and require repairs and spare parts to resume operations. The spare parts required in repairing may not be available when needed. Unexpected malfunctions of our production equipment may significantly affect intended operational efficiency. In addition, the operational performance and costs

associated with this equipment can be difficult to predict and may be influenced by factors outside of our control, such as, but not limited to, raw material cost increases of materials used in the manufacturing of our machinery components and/or failure by suppliers to deliver necessary machinery components in a timely manner and at prices and volumes acceptable to us, which could have a material adverse effect on our operational performance, cash flows, financial condition or prospects.

If our OEM customers are unable to maintain and increase consumer acceptance of ADAS technologies, our business, results of operations and financial condition would be adversely affected.

Our future operating results will depend on the ability of OEMs to maintain and increase consumer acceptance of ADAS, generally, and of our camera-based technologies, specifically. There is no assurance that OEMs can achieve these objectives. Market acceptance of ADAS and our camera-based technology depends upon many factors, including regulatory requirements, evolving safety standards, cost and driver preferences. Market acceptance of our products also depends on the ability of market participants, including us, to resolve technical challenges for increasingly complex ADAS in a timely and cost-effective manner. Consumers will also need to be made aware of the advantages of our camera-based ADAS compared to competing technologies. If consumer acceptance of ADAS technologies in the OEM market does not increase, sales may be adversely affected and we could experience a decline in revenue.

We face competition and our failure to compete successfully in product development may have an adverse effect on our business, financial condition and results of operations.

Our industry is competitive and most of our product lines compete against products manufactured by competitors. We encounter competition from numerous and varied competitors in all areas of our business. Further, our products compete not only with similar products manufactured by our competitors, but also against a variety of other alternatives provided by our competitors. Industry consolidation may result in larger, more homogeneous, and potentially stronger competitors in the markets in which we compete.

We compete primarily on the basis of product range, product features, industry certifications, reliability, brand, reputation, and service and support. We believe we have a competitive advantage as the sole company developing and marketing multiple smart glass technologies, providing the most comprehensive solutions as well as superior products for light and vision control systems across a broad range of markets, applications and geographies. However, we expect our competitors to continue to develop and introduce new products and to enhance their existing products, which could cause a decline in market acceptance of our products. Our competitors may also improve their manufacturing processes or expand their manufacturing capacity, which could make it more difficult or expensive for us to compete successfully. In addition, our competitors could enter into exclusive arrangements with our existing or potential customers or suppliers, which could limit our ability, or make it significantly more expensive, to acquire necessary raw materials or to generate sales.

Some of our competitors may have greater financial, technical, and marketing resources than we do and may be able to devote greater resources to promoting and selling their products. Unlike many of our competitors who specialize in a single or limited number of product lines, we have a portfolio of product lines and must allocate resources across those businesses. As a result, we may invest less in certain areas of our business than our competitors invest in competing businesses, and our competitors may therefore have greater financial, technical, and marketing resources available to them with respect to those businesses.

Some of our competitors may also incur fewer expenses than we do in creating, marketing, and selling certain products and may face fewer risks in introducing new products to the market. This circumstance results from the nature of our business model, which is based on providing innovative and high-quality light and vision control products and therefore may require that we spend a proportionately greater amount on research and development than some of our competitors. If our pricing and other factors are not sufficiently competitive, or if there is an adverse reaction to our product decisions, we may lose market share in certain areas, which could adversely affect our business, financial condition, and results of operations.

Additionally, our competitors could benefit from favorable tax regimes or additional governmental grants and subsidies. Certain of our competitors in various countries in which we do business, including China, may be owned by or affiliated with members of local governments and political entities. These competitors may receive special treatment with respect to regulatory compliance and product registration, while certain of our products, including those based on new technologies, may be delayed or even prevented from entering into the local market. Further,

because many of our competitors are small divisions of large, international businesses, these competitors may have access to greater resources than we do and may therefore be better able to withstand a change in conditions within our industry and throughout the economy as a whole.

Acquisitions or joint ventures we have completed or that we may pursue in the future may be unsuccessful and could require significant management attention, disrupt our business, dilute shareholder value, and adversely affect our results of operations.

We have previously and may in the future, as part of our business strategy, acquire businesses that complement or expand our existing business as part of our ongoing growth strategy. We cannot assure you that we will be able to consummate any such acquisitions or joint ventures or that any future acquisitions or joint ventures will be able to be consummated at acceptable prices and on acceptable terms.

Integrating any strategic transactions into our existing business may create unforeseen operating difficulties and costs, which may be further exacerbated by several factors and events beyond our control. For example, in January 2022, we completed the acquisition of Vision Lite and its related subsidiaries. This acquisition included, among other things, the integration of new employees, additional production facilities and lines, new customers, and new technology research and development across different geographies. In addition, in February 2023, we acquired Resonac's (formerly Hitachi Chemical) full SPD intellectual property portfolio, which included obtaining and learning the know-how with respect to Resonac's technical and business information related to such acquired patents. During our business harmonization efforts, we have encountered the expected challenges of combining distinct business practices and processes.

Any future acquisitions or joint ventures we pursue may involve a number of risks, including some or all of the following:

- difficulty in identifying acceptable acquisition candidates;
- the inability to consummate acquisitions or joint ventures on favorable terms, if at all, and to obtain adequate financing, which financing may not be available to us at times, in amounts or on terms acceptable to us, if at all;
- the diversion of management's attention from our core businesses;
- the disruption of our ongoing business;
- entry into markets in which we have limited or no experience;
- the inability to integrate our acquisitions or enter into joint ventures without substantial costs, delays or other problems;
- if a future acquisition is completed, we may not ultimately strengthen our competitive position or achieve our goals and business strategy;
- we may be subject to claims or liabilities assumed from an acquired company, product, or technology;
- unexpected liabilities for which we may not be adequately indemnified;
- inability to enforce indemnification and non-compete agreements;
- failing to successfully incorporate acquired product lines or brands into our business;
- the failure of the acquired business or joint venture to perform as well as anticipated;
- the failure to realize expected synergies and cost savings;
- any acquisitions we complete could be viewed negatively by our customers, investors, and securities analysts, and could lead to the loss of key employees or customers of the acquired business or of our own;
- increasing demands on our operational systems and the potential inability to implement adequate internal controls covering an acquired business or joint venture;

- any requirement that we make divestitures of operations or property in order to comply with applicable antitrust laws;
- possible adverse effects on our reported operating results, particularly during the first several reporting periods after the acquisition is completed; and
- impairment of goodwill relating to an acquired business, which could reduce reported income.

Any of these risks could have a material adverse effect on our business, financial condition or results of operations. In addition, acquisitions or joint ventures could result in significant increases in our outstanding indebtedness and debt service requirements or could involve the issuance of securities that would be dilutive to existing shareholders. Incurring additional debt to fund an acquisition may result in higher debt service and a requirement to comply with additional financial and other covenants, including potential restrictions on future acquisitions and distributions. Funding an acquisition with our existing cash would reduce our liquidity. The terms of our existing and future debt agreements and our market capitalization may limit the size and/or number of acquisitions we can pursue or our ability to enter into a joint venture.

Our inability to retain members of our senior management could impair the future success of the Company.

Our future success depends substantially on the continued services of our executive officers and certain other key employees, including, but not limited to, Eyal Peso, our Chief Executive Officer, Adrian Lofer, our Chief Technology Officer, and Meir Peleg, our Chief Financial Officer. If one or more of our executive officers were unable or unwilling to continue in their present positions, we might not be able to replace them easily or at all. In addition, if any of our executive officers joins a competitor or forms a competing company, we may lose experience, know-how, key professionals and staff members as well as business partners. These executive officers could develop light and vision control technologies that could compete with and take customers and market share away from us. Should we lose the services of any member of our senior management team or key personnel, replacing such personnel could involve a prolonged search and divert management time and attention and we may not be able to locate and hire a qualified replacement. We do not carry key-man insurance to mitigate the financial effect of losing the services of any member of our management team.

If we fail to scale our business operations or otherwise manage our future growth effectively as we attempt to grow our company, we may not be able to produce, market, service and sell our light and vision control products successfully.

We intend to expand our operations significantly, which will require hiring, retaining and training new personnel, controlling expenses, expanding existing production facilities and establishing new facilities, and implementing administrative infrastructure, systems, and processes. Our future operating results depend to a large extent on our ability to manage this expansion and growth successfully. Failure to expand operational and financial systems in a timely or efficient manner may result in operating inefficiencies, which could increase costs and expenses to a greater extent than we anticipate and may also prevent us from successfully executing our business plan. We may not be able to offset the costs of operation expansion by leveraging the economies of scale from our growth in negotiations with our suppliers and contract manufacturers. Additionally, if we increase our operating expenses in anticipation of the growth of our business and this growth falls short of our expectations, our financial results will be materially adversely impacted.

If our business grows, we will have to manage additional product design projects, materials procurement processes, and sales and marketing efforts for an increasing number of products, as well as expand the number and scope of our relationships with suppliers, distributors and end customers. If we fail to manage these additional responsibilities and relationships successfully, we may incur significant costs, which may materially adversely impact our operating results. Additionally, in our efforts to be first to market with new products with innovative functionality and features, we may devote research and development resources to products and product features for which a market does not develop quickly, or at all. If we are not able to predict market trends accurately, we may not benefit from such research and development activities, and our results of operations may suffer.

As our future development and commercialization plans and strategies develop, we expect to need additional managerial, operational, sales, marketing, financial and legal personnel. Our management may need to divert a disproportionate amount of its attention away from our day-to-day activities and devote a substantial amount of time to manage these growth activities. In particular, a period of significant growth in the number of personnel

could place a strain upon our management systems and resources. 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, failure to deliver or timely deliver our products to customers, 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 new products.

Our future will depend in part on the ability of our officers and other key employees to implement and improve financial and management controls, reporting systems and procedures on a timely basis and to expand, train, motivate and manage our workforce. Our current and planned personnel, systems, procedures and controls may be inadequate to support our future operations. If our management is unable to effectively manage our growth, our expenses may increase more than expected, our ability to generate and/or grow revenue could be reduced, and we may not be able to implement our business strategy.

Furthermore, we have no experience to date in high-volume manufacturing of our products and we cannot assure that we will be able to develop efficient, automated, low-cost manufacturing capabilities and processes, and reliable sources of component supply, that will enable us to meet the quality, price, engineering, design and production standards, as well as the production volumes, required to successfully market our light and vision control products as our operations expand. Any failure to effectively manage our growth could materially and adversely affect our business, prospects, financial condition, results of operations, and cash flows.

The loss of certain customers could adversely affect our overall sales and profitability.

The loss of several of our most significant customers could have a material adverse effect on our business, financial condition, and results of operations for the affected earnings periods. For the year ended December 31, 2023, our top ten customers represented approximately 48.8% of our revenue, although no single customer represented more than 9.3% of our revenue. For the three months ended March 31, 2024, our top ten customers represented approximately 52.4% of our revenue, although no single customer represented more than 9.7% of our revenue. Loss of any such customer or any disruption in our relationship with such customers, could result in a reduction of revenue generated by such customers. If we are unable to replace revenue generated by one or more of our major customers, our revenue may significantly decrease which would have a material adverse effect on our business, financial condition, and results of operations.

Increases in labor costs, potential labor disputes and work stoppages or an inability to hire skilled manufacturing, sales and other personnel could adversely affect our business.

An increase in labor costs, work stoppages or disruptions at our facilities or those of our suppliers, or other labor disruptions, could materially adversely affect our manufacturing capabilities and/or increase our expenses. In addition, in locations where our employees are not represented by a union, our labor force may become subject to labor union organizing efforts, which could cause us to incur additional labor costs and increase the related risks that we now face.

In France, where our employees are generally represented by a union, although we believe that our relations with the labor union are good, no assurances can be made that we will not experience conflicts with the labor union, other groups representing employees, or our employees in general, especially in the context of any future negotiations with the labor union. We can also make no assurance that future negotiations with the labor union will not result in a significant increase in our cost of labor.

We may suffer a significant loss resulting from fraud, bribery, corruption, other illegal acts, inadequate or failed internal processes or systems, or from external events.

We may suffer a significant loss resulting from fraud, bribery, corruption, other illegal acts, inadequate or failed internal processes or systems, or from external events, such as the occurrence of disasters or security threats affecting our ability to operate. We operate in different markets and rely on our employees to follow our policies and processes as well as applicable laws in their activities. Risk of illegal acts or failed systems is managed through our infrastructure, controls, systems and people, complemented by central groups focusing on enterprise-wide management of specific operational risks such as fraud, trading, outsourcing and business disruption, as well as personnel and systems risks. Specific programs, policies, standards and methodologies have been developed to support the management of these risks. These risks can result in direct or indirect financial loss, reputational impact or regulatory censure.

Our business, financial condition and results of operations could be adversely affected by disruptions in the global economy caused by the ongoing conflict between Russia and Ukraine.

The global economy has been negatively impacted by the military conflict between Russia and Ukraine. Furthermore, governments in the United States, United Kingdom, European Union and Australia, among others, have each imposed export controls on certain products and/or financial and economic sanctions relating to Russia, including on certain industry sectors and parties in Russia. Although we have no operations in Russia or Ukraine, we believe some shortages in materials, increased costs for raw material and other supply chain issues are at least partially attributable to the negative impact of the Russia-Ukraine military conflict on the global economy. Further escalation of geopolitical tensions related to the military conflict, including increased trade barriers or restrictions on global trade, could result in, among other things, cyberattacks, additional supply disruptions, lower consumer demand and changes to foreign exchange rates and financial markets, any of which may adversely affect our business and supply chain. In addition, the effects of the ongoing conflict could heighten many of our known risks described herein under "Risk Factors."

Our international operations will expose us to additional market and operational risks, and failure to manage these risks may adversely affect our business and operating results.

We expect to continue to derive a substantial percentage of our sales from international markets. Accordingly, we face significant operational risks from doing business internationally, including:

- fluctuations in foreign currency exchange rates;
- potentially longer sales and payment cycles;
- potentially greater difficulties in collecting accounts receivable;
- potentially adverse tax consequences;
- reduced protection of intellectual property rights in certain countries, particularly in Asia and South America;
- difficulties in staffing and managing foreign operations, including cultural differences between countries and language barriers;
- laws and business practices favoring local competition;
- costs and difficulties of customizing products for foreign countries;
- compliance with a wide variety of complex foreign laws, treaties and regulations;
- a worldwide health crisis, such as the COVID-19 pandemic, which may cause us, third-party vendors and manufacturers and/or customers to temporarily suspend our or their respective operations in the affected city or country;
- tariffs, trade barriers and other regulatory or contractual limitations on our ability to sell or develop our products in certain foreign markets; and
- being subject to the laws, regulations and the court systems of many jurisdictions.

Further, international trade conflicts could have negative consequences on the demand for our products and services outside Israel. Other risks of doing business internationally include political and economic instability in the countries of our customers and suppliers, changes in diplomatic and trade relationships and increasing instances of terrorism worldwide. Some of these risks may be affected by Israel's overall political situation. See "*Risk Factors — Risks Related to Our Incorporation, Location and Operations in Israel*" for further information.

Our failure to manage the market and operational risks associated with our international operations effectively could limit the future growth of our business and materially adversely affect our results of operations.

Adverse conditions in the automotive, transportation, architecture and aeronautics markets or the global economy more generally could have adverse effects on our results of operations.

While we make strategic planning decisions based on the assumption that the automotive, transportation, architecture and aeronautics markets that we are targeting will grow, our business is dependent, in large part on, and directly affected by, business cycles and other factors affecting the global automotive, transportation, architecture and aeronautics markets and the global economy generally. Automotive, transportation and aeronautics production and construction are highly cyclical and depend on general economic conditions and other factors, including consumer spending and preferences, changes in interest rates and credit availability, consumer confidence, fuel costs, fuel availability, environmental impact, governmental incentives and regulatory requirements, and political volatility, especially in energy-producing countries and growth markets. In addition, production and sales can be affected by our OEM and Tier 1 customers' ability to continue operating in response to challenging economic conditions and in response to labor relations issues, regulatory requirements, trade agreements and other factors. For example, the volume of automotive production in North America, Europe and the rest of the world has fluctuated due to fluctuations in gas and oil prices, government regulation related to fuel emissions, and tariffs related to automotive materials and parts, among other things, sometimes significantly, from year to year, and we expect such fluctuations to give rise to fluctuations in the demand for our products. Any significant adverse change in any of these factors may result in a reduction in sales of our vision and light control products and could have a material adverse effect on our business, results of operations and financial condition.

General macro-economic conditions, such as a rise in interest rates, inflation in the cost of goods and services including labor, a recession or an economic slowdown in the United States or internationally, including as a result of continuing uncertainty from any resurgence of the COVID-19 pandemic or any of its variants, the ongoing Russia-Ukraine military conflict or ongoing conflicts in the Middle East, could adversely affect demand for our vision and light products and make it difficult to accurately forecast and plan our future business activities.

Global markets have recently been experiencing volatility and disruption due to new interest rate and inflation increases as well as the continued escalation of geopolitical tensions. For example, inflation in the United States began to rise in the second half of 2021 and continued to rise during 2022. Although our business has not yet been materially negatively impacted by such inflationary pressures, we cannot be certain that neither we nor our customers will be materially impacted by continued pressures. We may find that we need to give higher than normal raises to employees, start new employees at higher wage and/or benefit rates, but not be able to price the higher costs through to customers. In addition, further increases in interest rates would require us to comply with more onerous covenants under our debt facilities, which could further restrict our operations and impact directly our operating income. If we cannot make scheduled payments on our indebtedness, we will be in default and, as a result, our debt holders could declare all outstanding principal and interest to be due and payable, and we could be forced into bankruptcy or liquidation.

If our estimates, judgments or assumptions relating to our critical accounting policies prove to be incorrect or financial reporting standards or interpretations change, our results of operations could be adversely affected.

The preparation of financial statements in conformity with U.S. GAAP requires our management to make estimates, judgments and assumptions that affect the amounts reported and disclosed in our consolidated financial statements and accompanying notes. We base our estimates and assumptions on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying values of certain assets, liabilities and equity, and the amount of revenue and expenses that are not readily apparent from other sources. Significant assumptions and estimates used in preparing our consolidated financial statements and accompanying notes include those related to the fair value of financial instruments and share-based compensation. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of industry or financial analysts, which may result in a decline in the trading price of our ordinary shares.

Additionally, as a result of new financial reporting standards, or changes and challenges to existing financial reporting standards or their interpretation, we might be required to change our accounting policies, alter our operational policies or implement new or enhance existing systems so that they reflect new or amended financial reporting standards, or we may be required to restate our published financial statements. Such changes or challenges to existing standards or in their interpretation may have an adverse effect on our reputation, business, financial condition, and results of operations.

We may be required to record an impairment charge on our accounts receivable if we are unable to collect the outstanding balances from our customers.

We frequently sell products to customers on credit. We estimate the collectability of our accounts receivable based on our analysis of the accounts receivable, historical bad debts, customer creditworthiness, and current economic trends. We continuously monitor collections from our customers and maintain adequate impairment allowance for doubtful accounts. However, if the bad debts significantly exceed our impairment allowance, we may be required to record an impairment charge and our business, financial condition, and results of operations could be materially adversely affected.

Our business, operating results and growth rates may be adversely affected by current or future unfavorable economic and market conditions and adverse developments with respect to financial institutions and associated liquidity risk.

Our business depends on the economic health of the global economies. If the conditions in the global economies remain uncertain or continue to be volatile, or if they deteriorate, including as a result of the impact of military conflict, such as the war between Russia and Ukraine, ongoing conflict in the Middle East between Israel and Hamas, terrorism or other geopolitical events, our business, operating results and financial condition may be materially adversely affected. Economic weakness, inflation and increases in interest rates, limited availability of credit, liquidity shortages and constrained capital spending have at times in the past resulted, and may in the future result, in challenging and delayed sales cycles, slower adoption of new technologies and increased price competition, and could negatively affect our ability to forecast future periods, which could result in an inability to satisfy demand for our products and a loss of market share.

In addition, increases in inflation raise our costs for commodities, labor, materials and services and other costs required to grow and operate our business, and failure to secure these on reasonable terms may adversely impact our financial condition. Additionally, increases in inflation, geopolitical developments and global supply chain disruptions, have caused, and may in the future cause, global economic uncertainty and uncertainty about the interest rate environment, which may make it more difficult, costly or dilutive for us to secure additional financing. A failure to adequately respond to these risks could have a material adverse impact on our financial condition, results of operations or cash flows.

For example, in March 2023, Silicon Valley Bank and Signature Bank were placed into receivership with the FDIC, which created bank-specific and broader financial institution liquidity risk and concerns. Although the Department of the Treasury, the Federal Reserve and the FDIC jointly released a statement that depositors at Silicon Valley Bank and Signature Bank would have access to their funds, even those in excess of the standard FDIC insurance limits, under a systemic risk exception, future adverse developments with respect to specific financial institutions or the broader financial services industry may lead to market-wide liquidity shortages, impair the ability of companies to access near-term working capital needs and create additional market and economic uncertainty. There can be no assurance that future credit and financial market instability and a deterioration in confidence in economic conditions will not occur. Our general business strategy may be adversely affected by any such economic downturn, liquidity shortages, volatile business environment or continued unpredictable and unstable market conditions. If the current equity and credit markets deteriorate, or if adverse developments are experienced by financial institutions, it may cause short-term liquidity risk and also make any necessary debt or equity financing more difficult, more costly, more onerous with respect to financial and operating covenants and more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our growth strategy, financial performance and price of our ordinary shares and could require us to alter our operating plans. In addition, there is a risk that one or more of our service providers, financial institutions, manufacturers, suppliers and other partners may be adversely affected by the foregoing risks, which could directly affect our ability to attain our operating goals on schedule and on budget.

Increasing scrutiny of, and evolving expectations for, sustainability and environmental, social, and governance, or ESG, initiatives could increase our costs or otherwise adversely impact our business.

Public companies are facing increasing scrutiny related to ESG practices and disclosures from certain investors, capital providers, shareholder advocacy groups, other market participants and other stakeholder groups. With this increased focus, public reporting regarding ESG practices is becoming more broadly expected. Such increased scrutiny may result in increased costs, enhanced compliance or disclosure obligations, or other adverse

impacts on our business, financial condition or results of operations. If our ESG practices and reporting do not meet investor or other stakeholder expectations, which continue to evolve, we may be subject to investor or regulator engagement regarding such matters. In addition, new sustainability rules and regulations have been adopted and may continue to be introduced in various states and other jurisdictions. For example, in March 2024 the SEC adopted rules that require companies to provide expanded climate-related disclosures in their periodic reporting. The SEC's climate disclosure rules, if they withstand litigation challenges, would require us to incur significant additional costs to comply and impose increased oversight obligations on our management and board of directors. Our failure to comply with any applicable rules or regulations could lead to penalties and adversely impact our reputation, access to capital and employee retention. Such ESG matters may also impact our third-party contract manufacturers and other third parties on which we rely, which may augment or cause additional adverse impacts on our business, financial condition, or results of operations.

Risks Related to Regulations

Our business could be adversely affected if we fail to maintain product quality and product performance at an acceptable cost or if we incur significant losses, increased costs or harm to our reputation or brand as a result of product liability claims or product recalls.

In order to maintain and increase our net sales and reach and sustain profitable operations we must produce high-quality products on a large-scale basis at acceptable manufacturing costs and yields. If we are unable to maintain the quality and performance of our light and vision control products at acceptable costs, our brand, the market acceptance of our products and our results of operations would suffer. As we regularly modify our product lines and introduce changes to our manufacturing processes or incorporate new raw materials, we may encounter unanticipated issues with product quality or production delays. Regulatory, safety, or reliability developments, many of which are outside of our control, could also cause delays or otherwise impair commercial adoption, which will adversely affect our growth. While we engage in product testing in an effort to identify and address any product quality issues before we introduce products to market, unanticipated product quality or performance issues may be identified after a product has been introduced and sold.

In addition, we face the risk of exposure to product liability or other claims, including class action lawsuits, in the event our products are, or are alleged to be, defective or have resulted in harm to persons or to property. We may in the future incur significant liabilities if product liability lawsuits against us are successful. We may also have to recall and/or replace defective products, which would also result in adverse publicity and loss of sales, and would result in us incurring costs connected with the recall, which could be material. Any losses not covered by insurance could have a material adverse effect on our business, financial condition and results of operations. Real or perceived quality issues, including those arising in connection with product liability lawsuits, warranty claims or recalls, could also result in adverse publicity, which could harm our brand and reputation and cause our sales to decline rapidly. In addition, any such issues may be seized on by competitors in efforts to increase their market share.

We are subject to, and must remain in compliance with, numerous laws and governmental regulations across various countries concerning the manufacturing, use, distribution and sale of our light and vision control products. Some of our customers also require that we comply with other unique requirements relating to these matters.

We manufacture and sell light and vision control products that contain electronic components, and such components may contain materials that are subject to government regulation in both the locations where we develop, manufacture and assemble our products, as well as the locations where we sell our products. Among other things, certain applicable laws and regulations require or may in the future require the submission of annual reports to certain governmental agencies certifying that such products comply with applicable performance standards, the maintenance of manufacturing, testing, and distribution records, and the reporting of certain product defects to such regulatory agency or consumers. If our products fail to comply with applicable regulations, we and/or our products could be subjected to a variety of enforcement actions or sanctions, such as product recalls, repairs or replacements, warning letters, untitled letters, safety alerts, injunctions, import alerts, administrative product detentions or seizures, or civil penalties. The occurrence of any of the foregoing could harm our business, results of operations, and financial condition.

Since we operate on a global basis, we must continually monitor applicable laws and regulations, and engage in an ongoing compliance process to ensure that we and our suppliers are in compliance with all existing laws and regulations. If there is an unanticipated or onerous new legislation or regulation that significantly impacts our use of various components or requires more expensive components, such legislation or regulation could materially adversely affect our business, results of operations and financial condition.

Since certain of our light and vision control products are used in ADAS, they are subject to complicated and rapidly evolving laws and regulatory schemes that vary from jurisdiction to jurisdiction at the state, federal and international levels, including requirements related to safety, data privacy and security, and product liability, among other areas. These are rapidly evolving areas in which new or changed requirements could impose limitations on the use of our products. If we fail to adhere to these new laws and regulations or fail to continually monitor emerging developments, we may be subject to litigation, loss of customers or negative publicity and our business, results of operations and financial condition will be adversely affected. We are unable to predict how any future changes will impact us and if such impacts will be material to our business.

In addition, some of our customers may require that we comply with unique requirements specific to their operations. For example, U.S. Federal Aviation Administration requirements for certain airplane models, national and local safety regulations applicable to our ADAS products and other CE certification and UL certification requirements applicable to certain of our electronic products in various jurisdictions across the globe.

Our business may be adversely affected by changes in automotive and aeronautic safety regulations or concerns that drive further regulation of the automobile and aeronautic safety market.

Government vehicle safety regulations are an important factor for our business. Historically, these regulations have imposed ever-more stringent safety regulations for vehicles. These safety regulations often require, or customers demand, that vehicles have more safety features and more advanced safety products.

While we believe increasing automotive and aeronautic safety standards will present a market opportunity for our light and vision control products, government safety regulations are subject to change based on a number of factors that are not within our control, including new scientific or technological data, adverse publicity regarding industry recalls and safety risks, accidents involving our products, domestic and foreign political developments or considerations, and litigation relating to our products and our competitors' products. Changes in government regulations, as well as changes or evolution in court doctrines in interpreting those regulations, especially in the automotive and aeronautic industries, could adversely affect our business. If government priorities shift and we are unable to adapt to changing regulations or to court interpretations of those regulations, our business may be materially and adversely affected.

Federal and local regulators impose more stringent compliance and reporting requirements in response to product recalls and safety issues in the automotive and aeronautic industry. As the vehicles and airplanes that carry our products go into production, we may become subject to stringent requirements, including a duty to report, subject to strict timing requirements, safety defects with our products. Such rules and regulations may impose potentially significant civil penalties for violations including the failure to comply with such reporting actions. If we cannot rapidly address any safety concerns or defects with our products, our business, results of operations and financial condition may be adversely affected.

For example, the U.S. Department of Transportation has issued regulations that require manufacturers of certain autonomous vehicles to provide documentation covering specific topics to regulators, such as how automated systems detect objects on the road, how information is displayed to drivers, what cybersecurity measures are in place and the methods used to test the design and validation of autonomous driving systems. As cars that carry our sensors go into production, the obligations of complying with safety regulations could increase and it could require increased resources and adversely affect our business.

We are subject to requirements relating to environmental and safety regulations and environmental remediation matters which could adversely affect our business, results of operation and reputation.

We are subject to international, foreign, federal, state and local environmental laws and regulations governing, among other things, the emission or discharge of materials into the environment, the use, storage, treatment, disposal and management of solid and hazardous waste, the remediation of releases of hazardous materials into the environment and the protection of the health and safety of our employees and end users of our product. Our suppliers

are also subject to applicable international, foreign, federal, state and local environmental laws and regulations governing the same, and our suppliers' use of hazardous materials or any noncompliance with applicable regulations may adversely impact their operations and the supply of products and raw materials required for our operations. While we adapt our manufacturing and distribution processes to conform and comply with the environmental control standards of the applicable regulatory authorities, we cannot completely eliminate the risk of non-compliance or accidental contamination or injury from hazardous or regulated materials, including injury of our employees, individuals who handle our products, or others who claim to have been exposed to our products, nor can we completely eliminate the unanticipated interruption or suspension of operations at our facilities due to such events. In the event of non-compliance, contamination or injury due to a violation of applicable environmental laws and regulations, regulatory authorities may impose significant damages or fines, and such assessed damages or fines could have an adverse effect on our financial performance and results of operations. There are capital, operating and other costs associated with compliance with these environmental laws and regulations.

In addition, environmental laws and regulations are expected to become more stringent in the future, and changes in, or new interpretations of, existing environmental laws and regulations may result in a material increase in the costs of compliance or require us to manufacture with alternative technologies and materials. Such changes in law could impose new obligations with respect to any potential health hazards. Non-compliance with such regulations may include litigation, regulation, fines, increased insurance premiums, mandates to temporarily halt production, workers' compensation claims, or other actions that impact our reputation, business, financial condition and results of operations.

Our business may be adversely affected by the impacts of climate change.

National and international efforts to respond to global climate change have increased in recent years. Although, our business does not directly emit significant quantities of carbon dioxide or other greenhouse gasses, efforts to reduce greenhouse gas emissions could negatively affect our business by increasing the costs goods and services used in our operations, including electricity, raw materials and transportation. In addition, the physical impacts of climate change may adversely affect our business and operations both physically and financially. The effects of climate change may intensify both the frequency and severity of natural events such as major storms, flooding, droughts, shifts in weather patterns and wildfires. To the extent temperatures continue to rise globally or are otherwise unabated, the negative impacts of these significant climate events will likely increase and may result in disruptions to our supply chain and damage to our physical facilities and operations (or those of our suppliers), all of which could adversely affect our business and our financial performance. Any such impacts resulting from climate change are likely to occur over a sustained period of time and are therefore difficult to quantify with any degree of specificity.

We operate in international markets and are subject to the United States Foreign Corrupt Practices Act, or the FCPA, as well anti-corruption laws and regulations of other countries, in addition to laws and regulations relating to export controls and economic sanctions. Violations of these laws and regulations could have a material adverse effect on our business, financial condition and results of operations.

We are subject to the U.S. Foreign Corrupt Practices Act of 1977 (as amended), or FCPA, Chapter 9 (sub-chapter 5) of the Israeli Penal Law, 5737-1977, and other anti-bribery laws in countries in which we conduct activities, collectively, Anti-Corruption Laws. These laws generally prohibit companies and their employees, officers and directors, as well as any and third-party intermediaries acting on their behalf, from corruptly promising, authorizing, offering, or providing, directly or indirectly, improper payments or anything of value to foreign government officials, political parties, and private-sector recipients for the purpose of improperly influencing a government official or securing any improper advantage to obtain or retain business. In addition, U.S. public companies are required to maintain records that accurately and fairly represent their transactions and have an adequate system of internal accounting controls.

Our business operations also must be conducted in compliance with applicable export control and financial and economic sanctions laws and regulations, collectively, Trade Controls, including rules administered by the United States Department of the Treasury's Office of Foreign Assets Control, the United States Department of State, the United States Department of Commerce, the relevant ministries or authorities of the government of Israel, His Majesty's Treasury of the United Kingdom, the European Union (and its member states), the United Nations Security Council and other relevant authorities.

We cannot provide assurances that our internal Code of Ethics will always protect us from liability for acts committed by employees, agents or business partners of ours (or of businesses we acquire or partner with) that would violate Anti-Corruption Laws and Trade Controls, including the laws governing payments to government officials, bribery, fraud, kickbacks and other related laws. Any such improper actions or allegations of such acts could subject us to significant sanctions, including civil or criminal fines and penalties, disgorgement of profits, injunctions and debarment from government contracts, as well as related shareholder lawsuits and other remedial measures, all of which could disrupt our business and adversely affect our reputation, and our business, financial condition and results of operations. Additionally, we engage third-party representatives to interact with potential customers, which may create risks under Anti-Corruption Laws and Trade Controls.

We are subject to risks related to corporate social responsibility.

Many companies now face increasing scrutiny related to their environmental, social and governance, or ESG, practices and requested disclosures by institutional and individual investors who are increasingly using ESG screening criteria in making investment decisions. Any of our disclosures on ESG-related matters or a failure to satisfy evolving stakeholder expectations for ESG practices and reporting may potentially harm our reputation and impact relationships with investors. Certain market participants, including major institutional investors, use third-party benchmarks or scores to measure ESG practices in making investment decisions. Furthermore, some of our customers and suppliers may evaluate our ESG-related practices and/or request that we adopt certain ESG policies. Any failure or perceived failure to pursue or fulfil stated goals, targets and objectives or to satisfy various reporting standards, could expose us to government enforced actions and/or private litigation. As ESG best practices, reporting standards and disclosure requirements continue to develop, we may incur increasing costs related to ESG monitoring and reporting. At the present, we do not have a formal ESG policy or program and have not established any formal timeframe for development or adoption of such an ESG program.

Furthermore, if our competitors' ESG performance is perceived to be better than that of ours, potential or current investors may elect to invest with our competitors instead. If we fail to satisfy the expectations of investors, employees and other stakeholders or our initiatives are not executed as planned, our reputation and business, operating results and financial condition could be adversely impacted.

We are subject to laws and regulations concerning data privacy and security which are continually evolving and could adversely affect our business, financial condition, results of operation and reputation.

As part of our normal business activities, we collect, use, store, share, transmit, and process personal information. As such, we are subject to various federal, state, local, and international laws, regulations, and industry standards. The regulatory environment surrounding information security and privacy is increasingly demanding, with frequent imposition of new and changing requirements that are subject to differing interpretations. In the United States, there are numerous federal and state data privacy and security laws, rules, and regulations governing the collection, use, storage, sharing, transmission, and other processing of personal information, including federal and state data privacy laws, data breach notification laws, and consumer protection laws. For example, the Federal Trade Commission, or FTC, and many state attorneys general are interpreting federal and state consumer protection laws to impose standards for the online collection, use, dissemination, and security of data. Such standards require us to publish statements that describe how we handle personal data and choices individuals may have about the way we handle their personal data. If such information that we publish is considered untrue or inaccurate, we may be subject to government claims of unfair or deceptive trade practices, which could lead to significant liabilities and consequences. Moreover, according to the FTC, violating consumers' privacy rights or failing to take appropriate steps to keep consumers' personal data secure may constitute unfair acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act. State consumer protection laws provide similar causes of action for unfair or deceptive practices. Some states, such as California, Massachusetts, and New York have passed specific laws mandating reasonable security measures for the handling of consumer data.

Many state legislatures have also adopted legislation that regulates how businesses operate, including measures relating to privacy, data security, and data breaches. Such legislation includes the California Consumer Privacy Act as amended by the California Privacy Rights Act, or the CCPA, which imposes obligations on covered businesses, relating to the processing of personal information and grants rights to California residents, such as the right to access, correct and delete their personal information, opt out of certain sharing and sales of their personal information and receive detailed information about how their personal information is used and shared. The CCPA prohibits discrimination against individuals who exercise their privacy rights, and provides for civil penalties for

violations enforceable by the California Attorney General as well as a private right of action for certain data breaches that result in the loss of personal information. This private right of action is expected to increase the likelihood of, and risks associated with, data breach litigation.

The enactment of the CCPA has prompted a wave of similar legislative developments in other states, such as Colorado, Connecticut, Delaware, Indiana, Iowa, Montana, Oregon, Tennessee, Texas, Utah and Virginia. Many other states are currently reviewing or proposing the need for greater regulation of the collection, sharing, use and other processing of personal information and there remains interest at the federal level as well, reflecting a trend toward more stringent privacy legislation in the United States. As a result, additional investment in compliance may be required. While we have a privacy program in place that we are continuing to strengthen, we have not yet conducted a formal assessment as to whether we are subject to these state data privacy laws and regulations and therefore may not be in compliance.

We are also subject to the European Union General Data Protection Regulation 2016/679 and applicable national supplementing laws, collectively, the EU GDPR. We may also be subject to the United Kingdom General Data Protection Regulation and Data Protection Act 2018, collectively, the UK GDPR, and we have not yet conducted an assessment as to whether the Company is subject to such laws and therefore, if applicable, we will not be in compliance with the UK GDPR. The EU GDPR and UK GDPR, together referred to as the GDPR, impose comprehensive data privacy compliance obligations in relation to our collection, processing, sharing, disclosure, transfer and other use of data relating to an identifiable living individual or "personal data," including a principal of accountability and the obligation to demonstrate compliance through policies, procedures, training and audit.

We are in the process of strengthening and documenting our data privacy compliance program and therefore we and our subsidiaries may not be in compliance with all data governance and other requirements under applicable data privacy and data security laws, regulations, policies and legal obligations, including GDPR and applicable Israeli privacy and data security law requirements. The EU GDPR and UK GDPR regulate cross-border transfers of personal data out of the EEA and the United Kingdom. Case law from the Court of Justice of the European Union, or the CJEU, states that reliance on the standard contractual clauses — a standard form of contract approved by the European Commission as an adequate personal data transfer mechanism — alone may not necessarily be sufficient in all circumstances and that transfers must be assessed on a case-by-case basis. On October 7, 2022, President Biden signed an Executive Order on 'Enhancing Safeguards for United States Intelligence Activities' that introduced new redress mechanisms and binding safeguards to address the concerns raised by the CJEU in relation to data transfers from the EEA to the United States, forming the basis for the new EU-US Data Privacy Framework, or the DPF, as released on December 13, 2022. The European Commission adopted its Adequacy Decision in relation to the DPF on July 10, 2023, rendering the DPF effective as an EU GDPR transfer mechanism to U.S. entities self-certified under the DPF. On October 12, 2023, the UK Extension to the DPF came into effect (as approved by the UK Government), as a UK GDPR data transfer mechanism to U.S. entities self-certified under the UK Extension to the DPF. We currently do not have any safeguards in place to transfer personal information outside the European Economic Area, or EEA, and the United Kingdom, including to the United States, with respect to both intragroup and third-party transfers. As the enforcement landscape further develops, and supervisory authorities issue further guidance on international data transfers, we could suffer additional costs, complaints and/or regulatory investigations or fines. We may have to stop using certain tools and vendors and make other operational changes; we will have to implement EU standard contractual clauses (and the UK data transfer equivalent, if applicable) for existing intragroup, customer and vendor arrangements; and/or it could otherwise affect the manner in which we provide our services, and could adversely affect our business, operations and financial condition.

Failure to comply with the GDPR could result in penalties for noncompliance. Since we are subject to the supervision of relevant data protection authorities under the EU GDPR and we may also be subject to the supervision of the data protection authority under the UK GDPR, we could be fined under each of those regimes independently in respect of the same breach. Penalties for certain breaches are up to the greater of EUR 20 million/GBP 17.5 million or 4% of our global annual turnover. In addition to fines, a breach of the GDPR may result in regulatory investigations, reputational damage, orders to cease/change our data processing activities, enforcement notices, assessment notices (for a compulsory audit) and/or civil claims (including class actions). Failure to comply with certain provision of the Israeli privacy and data security law requirements may carry civil, administrative, and criminal sanctions. Furthermore, breaches discovered by the Israeli Privacy Protection Authority's Inspection Unit may be published on the Israeli Privacy Protection Authority's website and may result in negative publicity.

We are also subject to evolving EU and UK privacy laws on cookies, tracking technologies and e-marketing. Recent European court and regulator decisions are driving increased attention to cookies and tracking technologies. If the trend of increasing enforcement by regulators of the strict approach to opt-in consent for all but essential use cases continues, as seen in recent guidance and decisions, this could lead to substantial costs, require significant

systems changes, limit the effectiveness of our marketing activities, divert the attention of our technology personnel, adversely affect our margins, and subject us to additional liabilities. In light of the complex and evolving nature of European Union, EU Member State and UK privacy laws on cookies and tracking technologies, there can be no assurances that we will be successful in our efforts to comply with such laws; violations of such laws could result in regulatory investigations, fines, orders to cease/change our use of such technologies, as well as civil claims including class actions, and reputational damage.

In China, we are also subject to various aspects of the country's onerous data compliance regime, which can include the Cybersecurity Law, the Data Security Law and the Personal Information Protection Law, or PIPL. In addition, the relevant government authorities of China promulgated several regulations or released a number of draft regulations for public comments that are designed to provide further implemental guidance in accordance with these laws. We cannot predict what impact the new laws and regulations or the increased costs of compliance, if any, will have on our operations in China, in particular the Data Security Law or PIPL, due to their recent enactment and the limited guidance available. It is also generally unclear how the laws will be interpreted and enforced in practice by the relevant government authorities as these laws are drafted broadly and, thus, leave great discretion to the relevant government authorities to exercise.

Our subsidiary, Safety Tech SAS, also relies on machine learning, artificial intelligence and automated decision making to improve its services and tailor its interactions with customers. However, in recent years, use of these methods has come under increased regulatory scrutiny.

New laws, guidance and/or decisions in this area could provide a new regulatory framework that will evidence a necessity to adjust and may limit Safety Tech SAS's ability to use its existing artificial intelligence models and require us to make changes to its operations that may decrease its operational efficiency, result in an increase to operating costs and/or hinder its ability to improve its services.

In Europe, on April 21, 2021, the European Commission proposed a regulation seeking to establish a comprehensive, risk-based governance framework for artificial intelligence in the EU market, the EU AI Act, which was politically agreed in December 2023. It is intended to apply to companies that develop, use and/or provide artificial intelligence in the EU and includes requirements around transparency, conformity assessments and monitoring, risk assessments, human oversight, security and accuracy, and introduces significant fines for noncompliance. There are also specific rules on the use of automated decision making under the GDPR that "provide the data subject the right not to be subject to a decision based solely on automated processing, including profiling, which produces legal effects concerning him or her or similarly significantly affects him or her."

Additionally, the existence of automated decision making must be disclosed to the data subject with a meaningful explanation of the logic used in such decision making in certain circumstances, and safeguards must be implemented to safeguard individual rights, including the right to obtain human intervention and to contest any decision.

In the United States, an executive order was issued in October 2023 on the Safe, Secure and Trustworthy Development and Use of AI, emphasizing the need for transparency, accountability and fairness in the development and use of AI. The order seeks to balance fostering innovation with addressing risks associated with AI by providing eight guiding principles and priorities, such as ensuring that consumers are protected from fraud, discrimination and privacy risks related to AI. The order also calls for future regulations from various agencies, such as the FTC (to ensure fair competition and reduce consumer harm) and, in alignment with the order, other agencies have issued guidance, such as the Swiss Federal Act on Collective Investment Schemes, or CISA. Legislation has also been promulgated on the state level. For example, the California Privacy Protection Agency is currently in the process of finalizing regulations under the CCPA regarding the use of automated decision making. Any failure or perceived failure by us to comply with laws, regulations, policies or regulatory guidance relating to privacy or data security may result in governmental investigations and enforcement actions, litigation, fines and penalties or adverse publicity, and could cause our customers and consumers to lose trust in us, which could have an adverse effect on our reputation and business.

We and our third-party vendors face cybersecurity risks and may incur increasing costs in an effort to mitigate those risks, and if we fail to prevent data security breaches, there may be damage to our reputation, material financial penalties, and legal liability, which would materially adversely affect our business, results of operations, and financial condition.

We rely on systems and websites, including some that are managed by third parties, that allow for the storage and transmission of proprietary or confidential information regarding our customers, employees and others, including personal information. We face numerous and evolving cybersecurity risks that threaten the confidentiality, integrity and availability of our systems and confidential information, including malicious code embedded in

open-source software, or misconfigurations, "bugs" or other vulnerabilities in commercial software that is integrated into our (or our suppliers' or service providers') IT systems, products or services. The risk of a data security breach or a disruption has generally increased in number, intensity and sophistication. Techniques used to compromise or sabotage systems change frequently, may originate from less regulated and remote areas of the world and be difficult to detect and generally are not recognized until launched against a target. As a result, we may be vulnerable to, and unable to anticipate or detect, data security breaches and data loss. In addition, data security breaches can also occur as a result of a breach by us or our employees or by persons with whom we have commercial relationships that result in the unauthorized release of personal or confidential information.

We have implemented various controls, systems and processes intended to secure our systems and the information on it. However, we cannot guarantee that these measures will be effective or that attempted security breaches or disruptions would not be successful or damaging. For example, these security measures could be, and have been, compromised as a result of a security breach by an unauthorized person, employee error, malfeasance, faulty password management or other irregularity and result in persons obtaining unauthorized access to our systems. Even if the vulnerabilities that may lead to the foregoing are identified, we may be unable to adequately investigate or remediate due to attackers using tools and techniques that are designed to circumvent controls, avoid detection and remove or obfuscate forensic evidence. A breach or circumvention of our systems or the systems of third parties, including by ransomware, social engineering, phishing or other attacks, could result in disruptions to our business operations; unauthorized access to (or the loss of company access to) competitively sensitive, confidential, personal or other critical data or systems; loss of customers; financial losses; regulatory investigations, enforcement actions and fines; litigation and misuse or corruption of critical data, personal data and proprietary information, any of which could be material.

As have many companies, we have in the past, and may continue to be, impacted by breaches in our data security. These can vary in scope and intent from motivated driven attacks to malicious attacks intended to disrupt our key operations. For example, on January 17, 2021, our subsidiary Vision Systems Corporate SAS detected a ransomware attack and unauthorized access to its information technology systems. It was determined that the unauthorized third party potentially gained access to certain personal data. While we could not confirm that data was not exfiltrated, there is currently no indication of any exfiltration or misuse of any information following the attack. Certain steps have been taken to remediate the attack, including a review of our data security program and the implementation of new safeguards. In addition, we provided notice to the French data protection authority and law enforcement authorities. Even though we determined that the ransomware attack had no material impact on our business, any breach of our network or vendor systems may result in the loss or misuse of confidential business and financial data or misappropriation of personal information, which could require us to expend substantial additional resources and have a material adverse effect on our business, including unwanted media attention, damage to our reputation, litigation, disputes, orders, providing required breach notifications to affected parties, regulators or those we are contractually obligated to notify, diverting resources from other projects, regulatory action or significant legal and remediation expenses, including fines, indemnity obligations, damages for contract breach, penalties for violations of applicable laws and regulations and significant increases in compliance costs. We could also experience delays or interruptions in our ability to function in the normal course of business. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects. This event or similar events in the future could expose us to a disruption to our business or challenges relating to our daily operations that could inhibit sales.

In addition to our own databases, we use third-party service providers to store, process and transmit confidential, personal or sensitive information on our behalf. A data security breach could occur in the future either at their location or within their systems that could affect our personal or confidential information. Similar security risks exist with respect to our third-party vendors that we rely on for aspects of our IT support services, pickup and delivery services, and administrative functions, including the systems owned, operated or controlled by other unaffiliated operators to the extent we rely on such other systems to deliver services to our customers. Our ability to monitor our third-party service providers' data security is limited. As a result, we are subject to the risk that cyber-attacks on, or other security incidents affecting, our third-party service providers may adversely affect our business, even if an attack or breach does not directly impact our systems. It is also possible that security breaches sustained by, or other security incidents affecting, our competitors could result in negative publicity for our entire industry that indirectly harms our reputation and diminishes demand for our products and services. Practices regarding the collection, use, storage, transmission and security of personal information have recently come under increased public scrutiny. Any failure or perceived failure

by us to prevent information security breaches or to comply with privacy policies or privacy-related legal obligations could cause our customers to lose trust in us and our services. Any perception that the confidentiality or privacy of information is unsafe or vulnerable when using our services, could damage our reputation and substantially harm our business, financial condition and results of operations.

The secure processing, storage, maintenance and transmission of critical customer and business information are vital to our operations and our business strategy. Although we devote resources to protecting such information and take what we believe to be reasonable measures, including a formal and dedicated IT department and limiting the amount of any data we store, to protect sensitive information from compromises such as unauthorized access, disclosure, or modification or lack of availability, our information technology and infrastructure may still be vulnerable to attacks by hackers or viruses or breached due to employee error, malfeasance or other disruptions.

Our ability to use our net operating loss carryforwards and certain other tax attributes is limited.

As of December 31, 2023, we had estimated net operating loss carryforwards for Israeli income tax purposes of $85.7 million available to offset future taxable income. Any available net operating loss carryforwards would have value only to the extent there is income in the future against which such net operating loss carryforwards may be offset. In addition, limitations imposed by applicable law on our ability to utilize net operating loss carryforwards could cause income taxes to be paid earlier than would be paid if such limitations were not in effect, thereby reducing or eliminating the benefit of such net operating loss carryforwards.

In addition, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, if a corporation undergoes an "ownership change," generally defined as a greater than 50% change (by value) in its equity ownership over a three-year period, the corporation's ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes, such as research tax credits, to offset its post-change income may be limited. In addition, we may experience ownership changes in the future as a result of subsequent shifts in our share ownership. As a result, if we earn net taxable income, our ability to use our pre-change net operating loss carry-forwards and other tax attributes to offset U.S. federal taxable income may be subject to limitations, which could potentially result in increased future tax liability to us.

We are subject to tax laws, tariffs and potential tax audits in multiple jurisdictions that could affect our financial results.

We are subject to tax laws, tariffs and potential tax audits in multiple jurisdictions. The application and interpretation of these laws in different jurisdictions affect our international operations in complex ways and are subject to change, and some changes may be retroactively applied. Our tax liabilities in the different countries where we operate depend, in part, on transfer pricing and administrative charges among our subsidiaries and us. These arrangements require us to make judgments with which tax authorities may disagree, potentially resulting in the assessment of material additional taxes, penalties, interest or other charges to resolve these issues.

The combination of the above factors may lead to an increased likelihood of tax audits with respect, among other things, to: (i) tax residence, (ii) trade or business activities and/or permanent establishment status in various jurisdictions, (iii) transfer pricing, (iv) controlled foreign corporation legislation, (v) taxation of dividends and capital gains derived upon interests held in companies located in low-tax jurisdictions, (vi) withholding tax application on cross-border payments, and (vii) anti-hybrid mismatches. In any such case, depending on the specific circumstances, tax audits and/or legal proceedings with the tax authorities could result in tax liabilities and fines and penalties of significant amounts, which could be in excess of the amounts we provide for in our financial statements for tax liabilities.

Transactions that we have structured in light of current tax rules could have material and adverse consequences for us if tax rules change or if tax authorities apply or interpret the rules differently than we do. Changes in tax laws, their application and interpretation or imposition of any new or increased tariffs, duties and taxes could increase our tax burden and materially and adversely affect our financial condition and results of operations. Such factors could also cause us to expend significant time and resources and/or cause investors to lose confidence in our reported financial information.

The enactment of legislation implementing changes in taxation of international business activities, the adoption of other corporate tax reform policies or changes in tax legislation or policies could impact our future financial position and results of operations.

Corporate tax reform, base-erosion efforts and tax transparency continue to be high priorities in many tax jurisdictions where we have business operations. As a result, policies regarding corporate income and other taxes in numerous jurisdictions are under heightened scrutiny and tax reform legislation is being proposed or enacted in a number of jurisdictions.

In 2015, the Organization for Economic Co-operation and Development, or OECD, published final recommendations on base erosion and profit shifting, or BEPS. These recommendations proposed the development of rules directed at counteracting the effects of tax havens and preferential tax regimes in countries around the world. Several of the areas of tax law on which the BEPS project focused have led or will lead to changes in the domestic law of individual OECD jurisdictions. These changes include (amongst others) restrictions on interest and other deductions for tax purposes, the introduction of broad anti-hybrid regimes and reform of controlled foreign corporation rules. Changes are also expected to arise in the application of certain double tax treaties, which may restrict our ability or the ability of our subsidiaries to rely on the terms of relevant double tax treaties in certain circumstances. Further, recent BEPS developments, such as the OECD Inclusive Framework's global tax reform statements in October 2021, include proposals for new profit allocation and nexus rules and for rules (including Pillar Two model rules released in December 2021 and March 2022) to ensure that the profits of multinational enterprises are subject to a minimum rate of tax. It should also be noted that on December 22, 2021, the European Commission published a proposed directive with a view to neutralize the misuse for tax purposes of shell entities located in the European Union, noting that a proposal to extend the scope of the said directive to shell entities located outside the European Union should be released in 2022. If these or similar changes and reforms are enacted, we would expect our tax costs and operational expenses related to this complex compliance to increase.

Due to the global scale of our business activities, any changes in tax law that apply to our activities, such as new definitions of permanent establishment, new nexus and profit allocation rules or the combined effect of tax laws in multiple jurisdictions may increase our worldwide effective tax rate, increase the complexity and costs associated with tax compliance and adversely affect our financial condition and results of operations.

We may have exposure to additional tax liabilities.

As an international vendor, we are subject to income taxes and non-income-based taxes. Although we believe that our tax filing positions are reasonable and comply with applicable law, we regularly review our tax filing positions, especially in light of tax law or business practice changes, and we may change our positions or determine that previous positions should be amended, either of which could result in additional tax liabilities. Significant judgment is required to evaluate applicable tax obligations. In many cases, the ultimate tax determination is uncertain because it is not clear how new and existing statutes might apply to our business, and as a result, amounts recorded may be subject to adjustments by the relevant tax authorities. The final determination of tax audits or tax disputes may be different from what is reflected in our historical income tax provisions and accruals. If current or future audits find that additional taxes are due, we may be subject to incremental tax liabilities, possibly including interest and penalties, which could have a material adverse effect on our results of operations, financial condition and cash flows.

In general, governments are increasingly focused on ways to increase tax revenues, which has contributed to an increase in audit activity, more aggressive positions taken by tax authorities, more time and difficulty to resolve any audits or disputes and an increase in new tax legislation. Any such additional taxes or other assessments may be in excess of our current tax provisions or may require us to modify our business practices in order to reduce our exposure to additional taxes going forward, any of which could have a material adverse effect on our business, results of operations and financial condition.

We are also subject to other non-income-based taxes, such as value-added, payroll, sales, use, excise and goods and services taxes. From time to time, we may be under audit or investigation by tax authorities or involved in legal proceedings related to these non-income-based taxes or we may revise or amend our tax positions, which may result in additional non-income-based tax liabilities.

Risks Related to Our Intellectual Property

If we are unable to obtain, maintain and protect effective intellectual property rights for our products, we may not be able to compete effectively in our markets.

Historically, we have relied on patents, trade secret protection and confidentiality agreements to protect the intellectual property related to our technologies and products. Our success depends in large part on our ability to obtain and maintain patent and other intellectual property protection in the United States and in other countries with respect to our proprietary technologies and products.

We have sought to protect our proprietary position by filing patent applications in Israel, the United States and in other countries, with respect to our novel technologies and products, which are important to our business. Patent prosecution is expensive and time consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection.

Our patent portfolio consists of an aggregate of 141 patents and 23 patent applications, as described in "Business — Intellectual Property." We cannot offer any assurances about which, if any, patent applications will issue, the breadth of any such patent or whether any issued patents will be found invalid and unenforceable or will be threatened by third parties. Any successful opposition to these patents or any other patents owned by or licensed to us after patent issuance could deprive us of rights necessary for the successful commercialization of any new products that we may develop.

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, 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, provide exclusivity for our new products, or prevent others from designing around our claims. 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, we may not be able to compete effectively, and our business and results of operations would be harmed.

Intellectual property rights of third parties could adversely affect our ability to commercialize our products, and we might be required to litigate or obtain licenses from third parties in order to develop or market our products. 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 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 our products 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. 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 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 in most of the other countries 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 platform technologies 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 platform technologies, 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. 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 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's 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.

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 scientific literature often lag behind 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 outside the United States, the first to file a patent application is entitled to the patent. Since March 15, 2013, the United States has moved to a first to file system. Changes to the way patent applications will be prosecuted 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 products, the defendant could counterclaim that the patent covering our products 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. 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 research programs, license necessary technology from third parties, or enter into development partnerships that would help us bring our new products 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. 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, 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.

A substantial part of the commercial success of the Company will depend on its ability to maintain, establish and protect its intellectual property assets, maintain trade secret protection, register copyrights and trademarks, and operate without infringing the proprietary rights of third parties. Our patent portfolio consists of an aggregate of 141 patents and 23 patent applications, as described in "*Business — Intellectual Property.*" We cannot assure investors that any of our currently pending or future patent applications will result in issued patents and we cannot predict how long it will take for such patent applications to issue as patents. There is a further risk that the claims of each patent application, as filed, may change in scope during examination by the patent offices. Further, if and where a patent is granted, there can be no guarantee that such patent will be valid or enforceable or that the patent will be granted in other jurisdictions.

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

Our success depends, at least in part, on our ability to protect our core technologies and intellectual property. Failure to adequately protect our technologies and intellectual property could result in competitors offering similar products, potentially resulting in the loss of some of our competitive advantage and a decrease in revenue which would adversely affect our business, prospects, financial condition and operating results. Patent, trademark, and trade secret laws vary significantly throughout the world. Some foreign countries do not protect intellectual property rights to the same extent as do the laws of the United States or the State of Israel. Further, some license provisions protecting against unauthorized use, copying, transfer and disclosure of our offerings may be unenforceable under the laws of certain jurisdictions and foreign countries. Policing the unauthorized use of our intellectual property in foreign jurisdictions may be difficult or impossible. Therefore, our intellectual property rights may not be as strong or as easily enforced outside of the United States or Israel. Changes in the law or adverse court rulings may also negatively affect our ability to prevent others from using our technology.

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 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 and our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, 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. We use machine learning, artificial intelligence and automated decision making in our research and development process. These machine learning, artificial intelligence and

automated decision making technologies may not be accurate and we may not be able to protect our intellectual property rights related to products or services created by or based exclusively on machine learning, artificial intelligence and automated decision making.

In addition, Safety Tech SAS uses machine learning, artificial intelligence, and automated decision making technologies, including artificial intelligence and machine learning algorithms licensed from a third party in a part of its business solutions, and is making significant investments to continuously improve the use of such technologies. There are significant risks involved in developing, maintaining and deploying machine learning, artificial intelligence and automated decision making technologies and there can be no assurance that the usage of such technologies will always enhance our products or services or be cost effective and more generally beneficial to our business, including our efficiency or profitability. In particular, if these artificial intelligence or machine learning models or automated decision making technologies are incorrectly designed or implemented; trained or reliant on incomplete, inadequate, inaccurate, biased or otherwise poor quality data or on data to which we do not have sufficient rights; and/or are adversely impacted by unforeseen defects, technical challenges, cyber security threats or material performance issues, the performance of our products, services, and business, as well as our reputation and the reputations of our customers, could suffer or we could incur liability through the violation of laws or contracts to which we are a party or civil claims. Further, our ability to continue to develop or use such models or technologies may be dependent on access to specific third-party software and infrastructure, such as processing hardware or third-party artificial intelligence models, and we cannot control the availability or pricing of such third-party software and infrastructure. In addition, market acceptance and consumer perceptions of artificial intelligence and machine learning technologies is uncertain at this point.

A number of aspects of intellectual property protection in the field of artificial intelligence and machine learning are currently under development, and there is uncertainty and ongoing litigation in different jurisdictions as to the degree and extent of protection warranted for artificial intelligence and machine learning systems and relevant system input and outputs. If we fail to obtain protection for the intellectual property rights concerning our automated decision making, artificial intelligence and machine learning technologies, or later have our intellectual property rights invalidated or otherwise diminished, our competitors may be able to take advantage of our research and development efforts to develop competing products.

We rely on licenses to use the intellectual property rights of third parties. If we fail to comply with our obligations in our intellectual property licenses with third parties, we could lose rights that are important to our business.

We rely, and expect to continue to rely, on certain intellectual property that is licensed from third-party licensors, including licenses to artificial intelligence and machine learning algorithms. Such licensors may be infringing upon the intellectual property rights of others or may not have sufficient rights to the licensed technology in all jurisdictions in which we may operate. Disputes with licensors over uses or terms could result in the payment of additional royalties or penalties by us, cancellation or non-renewal of the underlying license or litigation. In the event that we cannot renew and/or expand existing licenses, we may be required to discontinue or limit our use of the operations, products, or offerings that include or incorporate the licensed intellectual property or technology. Any such discontinuation or limitation could have a material and adverse impact on our business, financial condition and results of operation.

In 2017, we obtained a license from Research Frontiers, Inc., or RFI, for intellectual property relating to Light Valves, Light Valve Film and SPD Emulsions. This license from RFI imposes on us certain development, commercialization and royalty obligations, and other restrictions on our ability to exploit the technology covered by such license. Vision Systems also holds a license from RFI which imposes commercialization and royalty obligations and other restrictions. See "*Business — Intellectual Property — Licenses with Research Frontiers, Inc.*" If either of these license agreements is terminated, our ability to manufacture and sell products utilizing the technology licensed from RFI could be significantly adversely affected, which could have a material and adverse impact on our business, financial condition and results of operation.

We are currently subject to litigation regarding Research Frontiers, Inc.'s payment of royalties related to patented technologies we license from them, which could be expensive and could divert management attention.

Global Glass Technologies Inc., or GGT, has brought suit against RFI related to the patented technologies we license from RFI. We are currently a party to this litigation. In October 2020, GGT filed a lawsuit in the U.S. District Court — Middle District of Florida against us, our subsidiary Vision Systems and RFI, alleging breach of contract, inducement of patent infringement, and patent infringement related to the patented technologies we license

from RFI. The only claim relevant to us is the patent infringement claim. GGT seeks declaratory relief, injunctive relief and damages for royalty payments. We are currently a party to this litigation, and we do not collect royalties on these licenses. On November 30, 2021, our motion to dismiss GGT's first amended complaint was granted with leave for plaintiffs to amend. On September 27, 2022, our motion to dismiss GGT's second amended complaint was denied. On October 18, 2023, the inducement of patent infringement and patent infringement claims were dismissed without prejudice for 30 days during which time GGT was permitted to find replacement counsel. GGT was advised by the court that if it did not find a replacement counsel within such 30-day period that such patent infringement claim would be dismissed with prejudice. On November 16, 2023, GGT filed a motion asking for a 60-day extension of time to find counsel. We responded to such motion on November29, 2023, and the court granted that motion, giving GGT until December 21, 2023 to secure and retain counsel. On December21, 2023, GGT notified the court that it had reengaged one of its previous counsel. On February 20, 2024, we filed our motion seeking recovery of our attorney fees as a sanction against the plaintiff and its lawyers for bringing this lawsuit. On February 21, 2024, the court entered its order granting RFI motion for summary judgment, and granting RFI and our motion to sanction plaintiff for filing a frivolous lawsuit. We are currently waiting for a ruling on our motion for attorney fees. 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.

Risks Related to the Offering and the Ownership of Our Ordinary Shares

The market price of our ordinary shares may be volatile or may decline steeply or suddenly regardless of our operating performance, and we may not be able to meet investor or analyst expectations. You may not be able to resell your ordinary shares at or above the price you paid and may lose all or part of your investment.

If you purchase our ordinary shares in this offering, you may not be able to resell those shares at or above the price you paid. The market price of our ordinary shares may fluctuate or decline significantly in response to numerous factors, many of which are beyond our control, including:

- actual or anticipated fluctuations in our revenues or other operating results;
- variations between our actual operating results and the expectations of securities analysts, investors and the financial community;
- any forward-looking financial or operating information we may provide to the public or securities analysts, any changes in this information or our failure to meet expectations based on this information;
- actions of securities analysts who initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow us or our failure to meet these estimates or the expectations of investors;
- additional ordinary shares being sold into the market by us or our shareholders, or the anticipation of such sales, including if certain of our shareholders sell shares into the market when the applicable "lock-up" period ends for such shareholders;
- announcements by us or our competitors of significant products or features, innovations, acquisitions, strategic partnerships, joint ventures, capital commitments, divestitures or other dispositions;
- loss of relationships with significant distributors, dealers or other customers;
- changes in operating performance and stock market valuations of companies in our industry, including our competitors;
- difficulties in integrating any new acquisitions we may make;
- loss of services from members of management or employees or difficulty in recruiting additional employees;
- worsening of global economic conditions and reduction in demand for our products;
- price and volume fluctuations in the overall stock market, including as a result of general economic trends;

- lawsuits threatened or filed against us, or events that negatively impact our reputation;
- the impact of any resurgence of COVID-19 or any of its variants or any other pandemic on us and the national and global economies; and
- developments in new legislation and pending lawsuits or regulatory actions, including interim or final rulings by judicial or regulatory bodies.

In addition, extreme price and volume fluctuations in the stock markets have affected and continue to affect the stock prices of many companies. Often, their share prices have fluctuated in ways unrelated or disproportionate to their operating performance.

An active, liquid trading market for our ordinary shares may not develop.

Prior to this offering, there has been no public market for our ordinary shares. Although we expect to list our ordinary shares on the Nasdaq, we cannot guarantee an active public market for our ordinary shares will develop or be sustained after this offering. If an active and liquid trading market does not develop, you may have difficulty selling or may not be able to sell any of the ordinary shares that you purchase.

OIC Growth Fund has indicated an interest to purchase, directly or by way of an affiliate, up to 833,333 of ordinary shares in this offering, which represents no more than 20% of the total ordinary shares in this offering. Because indications of interest are not binding agreements or commitments to purchase, the underwriters may determine to sell more, less or no ordinary shares in this offering to this investor, or this investor may determine to purchase more, less or no ordinary shares in this offering. If such investor is allocated a portion or all of, or more than, the ordinary shares in which it has indicated an interest in purchasing in this offering, its election to purchase any of such ordinary shares could reduce the level of trading activities and the liquidity of the ordinary shares.

Raising additional capital would cause dilution to our existing shareholders and may affect the rights of existing shareholders.

We may seek 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.

We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to financial, business, legislative, regulatory and other factors, some of which are beyond our control. We cannot be sure that our business will generate sufficient cash flows from operating activities, or that future borrowings will be available, to permit us to pay the principal, premium, if any, and interest on our indebtedness.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness. We may not be able to effect any such alternative measures, if necessary, on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations. Agreements that govern our credit facilities and other debt instruments restrict our ability to dispose of assets and use the proceeds from those dispositions to be used to repay other indebtedness when it becomes due and also restrict our ability to raise debt. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due.

Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, would have a material adverse effect on our financial condition and results of operations. If we cannot make scheduled payments on our debt, we will be in default, and the lenders

under our credit facilities could terminate their commitments to loan money, the lenders could foreclose against the assets securing their borrowings and we could be forced into bankruptcy or liquidation. Any of these events could result in you losing all or a portion of your investment in our ordinary shares.

Despite our current level of indebtedness, we and our subsidiaries may still be able to incur substantially more debt. This could further exacerbate the risks to our financial condition described herein.

We and our subsidiaries may be able to incur significant additional indebtedness in the future. Although agreements that govern our credit facilities and other debt instruments contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the additional indebtedness incurred in compliance with these restrictions could be substantial. These restrictions also will not prevent us from incurring obligations that do not constitute indebtedness.

Sales of a substantial number of our ordinary shares in the public market by our existing shareholders could cause our share price to fall.

Sales of a substantial number of our ordinary shares in the public market following this offering, or the perception that these sales might occur, could depress the market price of our ordinary shares and could impair our ability to raise capital through a future sale of, or pay for acquisitions using, our equity securities. All the ordinary shares sold in this offering will be freely transferable without restriction or further registration under the Securities Act, except for any such shares acquired by our "affiliates," as that term is defined in Rule 144 under the Securities Act. Furthermore, our directors, officers and shareholders that hold more than 95% of our ordinary shares upon the closing of this offering (assuming none of such persons purchase shares in this offering) will be subject to lock-up agreements with the underwriters of this offering that restrict their ability to transfer our ordinary shares for a period of 180 days from the date of this prospectus. We are unable to predict the effect that sales may have on the prevailing market price of our ordinary shares. See "*Shares Eligible for Future Sale*" for further information.

Our principal shareholders, and related officers and directors beneficially own over49.8% of our outstanding ordinary shares. They will therefore be able to exert significant influence over matters submitted to our shareholders for approval.

As of May 28, 2024, our principal shareholders, and related officers and directors beneficially own approximately 49.8% of our ordinary shares. Upon completion of this offering, our principal shareholders, officers and directors will, in the aggregate, beneficially own approximately 8.8% of our outstanding ordinary shares. This significant concentration of share ownership may adversely affect the trading price of our ordinary shares because investors often perceive disadvantages in owning shares in companies with significant shareholders. As a result, these shareholders, if they acted together, could significantly influence matters that require approval by our shareholders, including the election and dismissal of directors, certain related-party transactions, including the terms of compensation of our directors and chief executive officer, certain significant corporate transactions and amendments to our amended and restated articles of association. This concentration of ownership might also have the effect of delaying or preventing a change of control of us that other shareholders may view as beneficial. The interests of these shareholders may not always coincide with our interests or the interests of other shareholders.

We have never paid, and we currently do not intend to pay dividends.

We have never declared or paid any dividends on our ordinary shares. We currently intend to retain any future earnings to finance operations and to expand our business and, therefore, do not expect to pay any dividends in the foreseeable future. Consequently, capital appreciation, if any, of our ordinary shares will be investors' sole source of gain for the foreseeable future. Any future determination as to the payment of dividends will be at the discretion of the Board and will depend on a number of factors, among other things, our financial condition, results of operations, current and anticipated cash needs and availability and other factors that the Board may consider to be relevant. Our ability to declare and pay dividends may also be limited by covenants of existing and any future outstanding indebtedness we incur. In addition, the Israeli Companies Law, 5759-1999, or the Companies Law, imposes restrictions on our ability to declare and pay dividends. See "*Description of Share Capital — Dividend and Liquidation Rights*" for additional information. Generally, payment of dividends is subject to Israeli withholding taxes. See "*Taxation — Material Israeli Tax Considerations and Government Programs*" for additional information.

If you purchase securities in this offering, you will incur immediate and substantial dilution in the book value of your ordinary shares.

The offering price of our ordinary shares is substantially higher than the net tangible book value per share of our ordinary shares. Therefore, if you purchase securities in this offering, you will pay a price per ordinary share that substantially exceeds our net tangible book value per ordinary share after this offering. To the extent outstanding options or warrants are exercised, you will incur further dilution. Based on the assumed offering price of $18.00 per ordinary share, which is the midpoint of the price range set forth on the cover page of this prospectus, you will experience immediate dilution of $16.97 per ordinary share, representing the difference between our pro forma net tangible book value per ordinary share after giving effect to this offering and the offering price. In addition, purchasers of our ordinary shares in this offering will have contributed approximately 44% of the aggregate price paid by all purchasers of our ordinary shares but will own only approximately 29.5% of our ordinary shares outstanding after this offering. See "*Dilution*" for further information.

Management will have broad discretion as to the use of the net proceeds from this offering.

Our management will have broad discretion in the allocation of the net proceeds and could use them for purposes other than those contemplated at the time of this offering. Our shareholders may not agree with the manner in which our management chooses to allocate and spend the net proceeds.

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 ordinary shares, our ordinary shares price and trading volume could decline.

The trading market for our 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 our ordinary shares, or provide more favorable relative recommendations about our competitors, our ordinary shares price 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 our ordinary shares price or trading volume to decline.

We will incur significant increased costs as a result of operating as a public company, and our management will be required to devote substantial time to new compliance initiatives.

As a public company whose ordinary shares will be listed in the United States, we will incur significant legal, accounting and other expenses that we did not incur as a private company. We will be subject to the reporting requirements of the Exchange Act, the other rules and regulations of the SEC and the rules and regulations of the Nasdaq, and provisions of the Companies Law that apply to public companies such as us. The expenses that will be required in order to adequately prepare for being a public company will be material, and compliance with the various reporting and other requirements applicable to public companies will require considerable time and attention of management. For example, the Sarbanes-Oxley Act and the rules of the SEC and national securities exchanges have imposed various requirements on public companies, including requiring establishment and maintenance of effective disclosure and financial controls. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. These rules and regulations will continue to increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits on coverage or incur substantial costs to maintain the same or similar coverage. The impact of these events could also make it more difficult for us to attract and retain qualified personnel to serve on the Board, our board committees, or as executive officers.

We have no operating experience as a publicly traded company in the United States.

We have no operating experience as a publicly traded company in the United States. Although the individuals who now constitute our management team have limited experience managing a publicly traded company, there is no assurance that the past experience of our management team will be sufficient to operate our company as a publicly traded company in the United States, including timely compliance with the disclosure requirements of the SEC. Following the completion of this offering, we will be required to develop and implement internal control

systems and procedures in order to satisfy the periodic and current reporting requirements under applicable SEC regulations and comply with the Nasdaq listing standards. These requirements will place significant strain on our management team, infrastructure and other resources. In addition, our management team may not be able to successfully or efficiently manage our company as a public reporting company in the United States that is subject to significant regulatory oversight and reporting obligations.

Certain recent initial public offerings of companies with public floats comparable to our anticipated public float have experienced extreme volatility that was seemingly unrelated to the underlying performance of the respective company. We may experience similar volatility, which may make it difficult for prospective investors to assess the value of our ordinary shares.

Our ordinary shares may be subject to extreme volatility that may be unrelated to the underlying performance of our business. Recently, companies with comparable anticipated public floats and initial public offering sizes have experienced instances of extreme stock price run-ups followed by rapid price declines, and such stock price volatility was seemingly unrelated to the respective company's underlying performance. Although the specific cause of such volatility is unclear, our anticipated public float may amplify the impact the actions taken by a few shareholders have on the price of our ordinary shares, which may cause our share price to deviate, potentially significantly, from a price that better reflects the underlying performance of our business. Should our ordinary shares experience run-ups and declines that are seemingly unrelated to our actual or expected operating performance and financial condition or prospects, prospective investors may have difficulty assessing the rapidly changing value of our ordinary shares. In addition, investors of our ordinary shares may experience losses, which may be material, if the price of our ordinary shares declines after this offering or if such investors purchase our ordinary shares prior to any price decline.

If we fail to maintain proper and effective internal controls over financial reporting, our ability to produce accurate and timely financial statements could be impaired and investors' views of us could be harmed.

Prior to this offering, we have been a private company with limited accounting personnel and other resources with which to address our internal control over financial reporting. Although we evaluated our internal controls over financial reporting and identified no material weakness, we may not have developed sufficient infrastructure to accurately and timely report our financial results and may otherwise have material weaknesses over internal systems of control leading to delay, errors and restatement of financial reports. We cannot provide assurance that material weaknesses or control deficiencies will not occur in the future.

There is a possibility that we, once a public company, will be unable to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner or assert that our internal control over financial reporting is effective, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our shares could be negatively affected. The Sarbanes-Oxley Act requires, among other things, that we maintain effective internal control over financial reporting and disclosure controls and procedures. In particular, we must perform system and process evaluation and testing of our internal control over financial reporting to allow management and our independent registered public accounting firm to report on the effectiveness of our internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act, beginning with our annual report on Form 20-F for the fiscal year ending December 31, 2024. In addition, we will be required to have our independent registered public accounting firm attest to the effectiveness of our internal controls over financial reporting beginning with our annual report on Form 20-F following the date on which we are no longer an "emerging growth company" as defined in the JOBS Act (unless we meet the requirements of a non-accelerated filer). If we are not able to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner, or if we or our independent registered public accounting firm identify deficiencies in our internal control over financial reporting that are deemed to be material weaknesses, the market price of our ordinary shares could decline and we could be subject to sanctions or investigations by the stock exchange on which we intend to list our ordinary shares, the SEC, or other regulatory authorities, which would require additional financial and management resources.

Our ability to successfully implement our business plan and comply with Section 404 of the Sarbanes-Oxley Act requires us to be able to prepare timely and accurate financial statements. Any delay in the implementation of, or disruption in the transition to, new or enhanced systems, procedures, or controls, may cause our operations to suffer and we may be unable to conclude that our internal control over financial reporting is effective and to obtain an unqualified report on internal controls from our auditors. Moreover, we cannot be certain that these measures would ensure that we implement and maintain adequate controls over our financial processes and reporting in the future. Even if we were to conclude, and our auditors were to concur, that our internal control over financial reporting

provided reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP, because of its inherent limitations, internal control over financial reporting may not prevent or detect fraud or misstatements. This, in turn, could have an adverse impact on trading prices for our ordinary shares, and could adversely affect our ability to access the capital markets.

The JOBS Act allows 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 our 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 of 1933, as amended, or 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 have elected to delay such adoption of certain 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; and
- 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.

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 equity securities pursuant to an effective registration statement under the Securities Act, (b) in which we have total annual gross revenue of at least $1.235 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 our ordinary shares less attractive because we may rely on these exemptions. If some investors find our ordinary shares less attractive as a result, there may be a less active trading market for our ordinary shares, and our market prices may be more volatile and may decline.

As a "foreign private issuer" we are permitted to and 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. issuers. We may lose our foreign private issuer status in the future, which could result in significant additional cost and expense.

Our status as a foreign private issuer also exempts us from compliance with certain SEC laws and regulations and certain regulations of the Nasdaq, including the proxy rules, the short-swing profits recapture rules, and certain governance requirements such as independent director oversight of the nomination of directors and executive compensation. In addition, we are not required, under the Exchange Act, to file current reports and financial statements with the SEC as frequently or as promptly as U.S. domestic issuers whose securities are registered under the Exchange Act and we are generally exempt from filing quarterly reports with the SEC. Also, although regulations promulgated under the Companies Law require us to disclose the annual compensation of our five most highly compensated directors or officers on an individual basis commencing with our first annual meeting of shareholders following the closing of this offering, this disclosure is not as extensive as that required of a U.S. domestic issuer. Furthermore, as a foreign private issuer, we are also not subject to the requirements of Regulation FD (Fair Disclosure) promulgated under the Exchange Act.

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, 2024. 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. Although we have elected to comply with certain U.S. regulatory provisions, our loss of foreign private issuer status would make such provisions mandatory. Additionally, as a result of changes in U.S. regulations or other legislation, certain exemptions may become unavailable to foreign private issuers. The regulatory and compliance costs to us under U.S. securities laws as a U.S. domestic issuer may be significantly higher. If we are not a foreign private issuer, we will be required to file periodic reports and registration statements on U.S. domestic issuer forms with the SEC, which are more detailed and extensive than the forms available to a foreign private issuer. We will also have to mandatorily comply with U.S. federal proxy requirements, and our officers, directors, and principal shareholders will become subject to the short-swing profit disclosure and recovery provisions of Section 16 of the Exchange Act. We may also be required to modify certain of our policies to comply with good governance practices associated with U.S. domestic issuers. Such conversion and modifications will involve additional costs. In addition, we may lose our ability to rely upon exemptions from certain corporate governance requirements on U.S. stock exchanges that are available to foreign private issuers.

There can be no assurance that we will not be classified as 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 our 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 2024 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 quarterly 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 passive assets. 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 after the close of each taxable year 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 offering price of our ordinary shares in this offering and the subsequent trading value of our ordinary shares, which may fluctuate significantly. 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 our ordinary shares, such U.S. taxpayer would be subject to certain adverse U.S. federal income tax rules. U.S. investors that consider acquiring our 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 certain elections with respect to our 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.

If a U.S. person is treated as owning at least 10% of the ordinary shares, such holder may be subject to adverse U.S. federal income tax consequences.

If a U.S. person is treated as owning (directly, indirectly, or constructively) at least 10% of the value or voting power of our ordinary shares, such person may be treated as a "United States shareholder" within the meaning of Section 951 of the Code (as define below) with respect to each "controlled foreign corporation," or CFC, in our group (if any). Since we have one or more U.S. subsidiaries, certain of our non-U.S. subsidiaries could be treated as CFCs (regardless of whether or not we are treated as a CFC). A United States shareholder of a CFC may be required to report annually and include in its U.S. taxable income its pro rata share of "Subpart F income," "global intangible low-taxed income," and investments in U.S. property by CFCs, regardless of whether the Company makes

any distributions. An individual that is a United States shareholder with respect to a CFC generally would not be allowed certain tax deductions or foreign tax credits that would be allowed to a United States shareholder that is a U.S. corporation. Failure to comply with these reporting obligations may subject a United States shareholder to significant monetary penalties and may prevent the statute of limitations with respect to such U.S. shareholder's U.S. federal income tax return for the year for which reporting was due from starting. We cannot provide any assurances that we will assist holders of ordinary shares in determining whether any of our non-U.S. subsidiaries is treated as a CFC or whether any holder of ordinary shares is treated as a United States shareholder with respect to any such CFC or furnish to any United States shareholders information that may be necessary to comply with the aforementioned reporting and tax paying obligations. The IRS has provided limited guidance on situations in which investors may rely on publicly available information to comply with their reporting and taxpaying obligations with respect to foreign-controlled CFCs. A U.S. Holder should consult its tax advisors regarding the potential application of these rules to an investment in our ordinary shares.

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. In addition, the stock markets have experienced considerable price and volume fluctuations. Broad market and industry factors may materially harm the market price of our ordinary shares, regardless of our operating performance. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted against that company. 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.

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

The Amended Articles provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States shall be the exclusive forum for the resolution of any claims arising under the Securities Act, or Federal Forum Provision. We believe this Federal Forum Provision benefits us by providing increased consistency in the application of U.S. federal securities laws in the types of lawsuits to which they apply. While the Federal Forum Provision does not restrict the ability of our shareholders to bring claims under the Securities Act, nor does it affect the remedies available thereunder if such claims are successful, we recognize that it may limit shareholders' ability to bring a claim in the judicial forum that they find favorable for disputes with us or our directors, officers or other employees and may increase costs associated with such lawsuits which may discourage the filing of such lawsuits against us, our directors, officers and employees. Our shareholders will not be deemed to have waived our compliance with U.S. federal securities laws and the rules and regulations thereunder as a result of the Federal Forum Provision. Further, 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 and similar agreements has been challenged in legal proceedings, and there is uncertainty as to whether courts would enforce the Federal Forum Provision in the Amended Articles. In the event a court finds the Federal Forum Provision contained in the Amended Articles to be unenforceable or inapplicable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business and financial condition.

Risks Related to Our Incorporation, Location and Operations in Israel

Conditions in Israel could materially and adversely affect our business.

Our headquarters, research and development and other significant operations are located in Israel and many of our employees, including a majority of our management members and a number of our key employees, operate from our offices that are located in Tel Aviv, Israel. In addition, a number of our directors and officers are residents of Israel. Accordingly, political, economic, and military conditions in Israel and the surrounding region may directly affect our business and operations. Armed conflicts, hostilities or political instability in the region may negatively affect business conditions and could harm our business and results of operations.

Since the establishment of the State of Israel in 1948, a number of armed conflicts have occurred between Israel and its neighboring countries and terrorist organizations active in the region, including Hamas (an Islamist militia and political group in the Gaza Strip) and Hezbollah (an Islamist militia and political group in Lebanon). Any hostilities involving Israel or the interruption or curtailment of trade between Israel and its trading partners could adversely affect our business, financial condition and results of operations.

In October 2023, Hamas terrorists infiltrated Israel's southern border from the Gaza Strip and conducted a series of attacks on civilian and military targets. Hamas also launched extensive rocket attacks on the Israeli population and industrial centers located along Israel's border with the Gaza Strip and in other areas within the State of Israel. These attacks resulted in thousands of deaths and injuries, and, in addition, Hamas kidnapped many Israeli civilians and soldiers. Following the attack, Israel's security cabinet declared war against Hamas and commenced a military campaign against Hamas in parallel to Hamas' continued rocket and other terror attacks.

Following the attack by Hamas on Israel's southern border, Hezbollah in Lebanon has also launched missile, rocket, and shooting attacks against Israeli military sites, troops, and civilian areas in northern Israel. In response to these attacks, the Israeli army has carried out a number of targeted strikes on Hezbollah in southern Lebanon. It is possible that other terrorist organizations, including those located in the West Bank, as well as other countries hostile to Israel will join the hostilities. In addition, Iran recently launched a direct attack on Israel involving hundreds of drones and missiles and has threatened to continue to attack Israel.

Many Israeli citizens are obligated to perform annual military reserve duty for periods ranging from several days to several weeks until they reach the age of 40 (or older, for reservists who are military officers or who have certain occupations) and, in the event of a military conflict, may be called to active duty. In connection with the Israeli security cabinet's declaration of war against Hamas and possible hostilities with other organizations, the Israeli military called up several hundred thousand of its reserves for active service. As of May 17, 2024, four of our employees in Israel are serving in active duty, none of whom are executives or perform critical or exclusive functions. Additional employees, including a member of management, may be called up for service in the current or any future military conflict. Although to date our operations have not been disrupted by such call-ups, we cannot assure that this will be the case in the future. Such disruption could materially adversely affect our business, financial condition and results of operations.

Our executive offices are located in Tel Aviv, Israel, which, although not near Israel's northern or southern borders where the main hostilities are currently taking place, has been subject to rocket attacks. While the majority of our management team is located in Israel, only approximately 22% of our employees are located and reside in Israel and only 25% of our production lines are located in Israel. Those productions lines are located in Tel Aviv, which is one of our five global production facilities, and is where we primarily produce SPD nanoparticles and PDLC. To help mitigate the effects of the war on our Israeli operations, we have taken several measures, such as shelter-in-place and work-from-home measures. Such measures and government-imposed restrictions on movement and travel and other precautions taken to address the ongoing conflict may temporarily disrupt our management and employees' ability to effectively perform their daily tasks.

None of our production lines or capabilities have been impacted since the war broke out on October 7, 2023. We cannot currently predict the intensity or duration of Israel's war against Hamas, nor can we predict how future developments in this war will ultimately affect our business, operations and financial condition or Israel's economy in general.

Our commercial insurance does not cover losses that may occur as a result of events associated with war and terrorism. Although the Israeli government currently covers certain damages that are caused by terrorist attacks or acts of war, we cannot assure you that this government coverage will be maintained or that it will sufficiently cover our potential damages. Any losses or damages incurred by us could have a material adverse effect on our business, financial condition and results of operations.

Further, Israel and Israeli companies have been, from time to time, subjected to economic boycotts. Several countries still restrict business with Israel and with Israeli companies. These restrictive laws and policies may have an adverse impact on our financial condition, results of operations or the expansion of our business. A campaign of boycotts, divestment and sanctions has been undertaken against Israel, which could also adversely impact our business.

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

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

- the Companies Law regulates the methods and processes by which mergers may be consummated and requires tender offers to be effected for acquisitions of shares above specified thresholds in a company;
- the Companies Law requires special approvals for certain transactions involving directors, officers or significant shareholders and regulates other matters that may be relevant to these types of transactions;
- the Companies Law does not provide for shareholder action by written consent for public companies, thereby requiring all shareholder actions to be taken at a general meeting of shareholders;
- the Amended Articles require a vote of the holders of at least 55% of the total voting power of our shareholders to remove any of our directors;
- the Amended Articles divide the Board into three classes, each of which is elected once every three years;
- an amendment to the Amended Articles generally requires a vote of the holders of a majority of our outstanding ordinary shares entitled to vote and which are present and voting on the matter at a general meeting of shareholders (referred to as simple majority); however, the amendment of a limited number of provisions, such as (i) the provisions empowering the Board to determine the size of the Board, (ii) the provisions setting forth the procedures and the requirements that must be met in order for a shareholder proposal to be included on the agenda for a general meeting of our shareholders, (iii) the provisions relating to the election and removal of members of the Board and empowering the Board to fill director vacancies; and (iv) the provisions dividing our directors into three classes, requires a vote of the holders of 55% of the total voting power of our shareholders; and
- the Amended Articles provide that director vacancies may be filled by the Board.

Further, Israeli tax considerations may make potential transactions undesirable to us or to some of our shareholders whose country of residence does not have a tax treaty with Israel granting tax relief to such shareholders from Israeli tax. For example, Israeli tax law does not recognize tax-free share exchanges to the same extent as U.S. tax law. With respect to mergers, Israeli tax law allows for tax deferral in certain circumstances but makes the deferral contingent on the fulfilment of numerous conditions, including a holding period of two years from the date of the transaction during which certain sales and dispositions of shares of the participating companies are restricted. Moreover, with respect to certain share swap transactions, the tax deferral is limited in time, and when such time expires, the tax becomes payable even if the shares have not been disposed.

In addition, we are subject to the Encouragement of Research, Development and Technological Innovation in the Industry Law, 5744-1984, and the regulations, guidelines, rules, procedures, and benefit tracks thereunder, or, collectively, the Innovation Law, due to our receipt of grants from the Israel Innovation Authority, or the IIA. Under the Innovation Law, a recipient of IIA grants, such as us, must generally report to the IIA changes in the holdings of our company, and to the extent such change results in any non-Israeli citizen or resident becoming an "interested party," as defined in the Israeli Securities Law, 5728-1968, or the Israeli Securities Law, which includes, among other things, owning 5% or more of our ordinary shares, such non-Israeli citizen or resident is required to execute an undertaking in favor of the IIA, in a form prescribed by the IIA.

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

We were incorporated in Israel. Most of our executive officers and directors reside outside of the United States, and most 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 within the United States and may not necessarily be enforced by an Israeli court. It also may be difficult to affect 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. Additionally, Israeli courts might not enforce judgments rendered outside Israel, which may make it difficult to collect on judgments rendered against us or our non-U.S. officers and directors. See "*Enforcement of Civil Liabilities.*"

Your rights and responsibilities as a shareholder will be governed by Israeli law, 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 amended and restated articles of association and by Israeli law. These rights and responsibilities differ in some material respects from the rights and responsibilities of shareholders in typical U.S. corporations. In particular, pursuant to the Companies Law, each shareholder of an Israeli company has to act in good faith and in a customary manner in exercising his, her or its rights and fulfilling his, her or its obligations toward the company and the other shareholders and to refrain from abusing his, her or its power in the company, including, among other things, in voting at a general meeting of shareholders on amendments to a company's articles of association, increases in a company's authorized share capital, mergers and certain transactions requiring shareholders' approval under the Companies Law, as well as a general duty to refrain from discriminating against other shareholders. In addition, a controlling shareholder of an Israeli company or a shareholder who knows that it possesses the power to determine the outcome of a shareholder vote or who has the power to appoint or prevent the appointment of a director or officer in the company or has other powers over the company has a duty of fairness toward the company. However, Israeli law does not define the substance of this duty of fairness, and there is little case law available to assist in understanding the implications of these provisions that govern shareholder behavior.

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

We believe that we may be eligible for certain tax benefits provided to a "Preferred Technological Enterprise" under the Israeli Law for the Encouragement of Capital Investments, 5719-1959, or the Investment Law. In order to be eligible for the tax benefits provided to a "Preferred Technological Enterprise," we must continue to meet certain conditions stipulated in the Investment Law and its regulations, as amended. If these tax benefits are reduced, cancelled, or discontinued, or if we fail to meet certain conditions, our Israeli taxable income from the Preferred Technological Enterprise would be subject to regular Israeli corporate tax rates. The standard corporate tax rate for Israeli companies is currently 23%. Additionally, if we increase our activities outside of Israel through acquisitions, for example, our expanded activities might not be eligible for inclusion in future Israeli tax benefit programs. See "*Taxation — Material Israeli Tax Considerations and Government Programs*" for more information.

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

A significant portion of our intellectual property has been developed by our employees in the course of their employment for us. Under the Israeli Patents Law, 5727-1967, or the Patents Law, inventions conceived by an employee in the course of his or her employment with a company are regarded as "service inventions," which belong to the employer, absent an agreement between the employee and employer giving the employee service invention rights. The Patents Law also provides that if there is no agreement between an employer and an employee determining whether the employee is entitled to receive remuneration for service inventions and on what terms, the Israeli Compensation and Royalties Committee, or the Committee, a body constituted under the Patents Law, has the authority to determine whether the employee is entitled to remuneration for his or her inventions and the scope of such remuneration. Case law clarifies that the right to receive consideration for "service inventions" can be waived by the employee. The Committee will examine, on a case-by-case basis, the general contractual framework between

the parties, using interpretation rules of general Israeli contract law. Further, the Committee has not yet determined one specific formula for calculating this remuneration, but rather uses the criteria specified in the Patents Law. Although we generally enter into agreements with our employees pursuant to which such individuals assign to us all rights to any inventions created during and as a result of their employment with us and waive their right to remuneration for service inventions, we may face claims demanding remuneration in consideration for assigned inventions. As a consequence of such claims, we could be required to pay additional remuneration or royalties to our current and/or former employees, or be forced to litigate such claims, which could negatively affect our business.

We have received Israeli government grants for certain research and development activities. The terms of these grants may require us to satisfy specified conditions in order to develop and transfer technologies supported by such grants outside of Israel. In addition, in some circumstances, we may be required to pay certain redemption fees in addition to repaying the grants.

Our research and development efforts were financed, in part, through royalty-bearing and non-royalty-bearing grants from the IIA. As of March 31, 2024, we received IIA royalty-bearing grants totaling approximately $1.25 million of which approximately $0.12 million of such amount has been repaid. In addition, as of March 31, 2024, we received IIA non-royalty-bearing grants totaling approximately $1.12 million.

We are committed to pay royalties to the IIA at a rate of approximately 1.0% to 3.5% on sales proceeds from our products (and related know-how and services) that were developed, in whole or in part, using the IIA royalty-bearing grants we received under IIA programs, up to the total amount of royalty-bearing grants received, linked to the U.S. dollar and bearing annual interest at rates prescribed by the IIA's rules and guidelines.

We may in the future apply to receive additional grants from the IIA. However, we cannot predict whether we will be entitled to any future grants, or the amounts of any such grants.

In general, the Innovation Law requires, among other things, that the products developed as part of the programs under which the grants were given be manufactured in Israel and restricts the ability to transfer know-how funded by the IIA outside of Israel. A transfer for the purpose of the Innovation Law is generally interpreted very broadly and includes, among other things, any sale of the IIA-funded know-how, any license to develop the IIA-funded know-how or the products resulting from such IIA-funded know-how or any other transaction, which, in essence, constitutes a transfer of IIA-funded know-how. The transfer of IIA-funded know-how outside of Israel requires prior approval and may be subject to payment of a redemption fee to the IIA, calculated in accordance with a formula provided under the Innovation Law (which is subject to a cap of six times the total amount of the IIA grants received, plus interest). These restrictions may impair our ability to sell, license or otherwise transfer IIA-funded know-how outside of Israel.

In general, manufacturing products developed with IIA-funded know-how outside of Israel also requires prior approval from the IIA. Even if we do receive approval to manufacture products developed with IIA-funded know-how outside of Israel, such transfer of manufacturing capacity outside of Israel may be subject to an increase in the amount of royalties payable, depending on the manufacturing volume that is performed outside of Israel, and to an increase in the rate of royalties. This restriction may impair our ability to outsource manufacturing or engage in our own manufacturing operations for those products or technologies.

The restrictions under the Innovation Law (including with respect to the restriction of the transfer of IIA-funded know-how and manufacturing outside of Israel) continue to apply even after payment of the full amount of royalties payable in respect of grants. However, upon payment of the redemption fee on a transfer of IIA-funded know-how outside Israel, the obligations towards the IIA (including the obligation to pay royalties) and restrictions under the Innovation Law cease to apply.

We cannot be certain that any approval of the IIA will be obtained on terms that are acceptable to us, or at all. We may not receive the required approvals should we wish to transfer IIA-funded know-how and/or manufacture products developed with IIA-funded know-how outside of Israel in the future. Furthermore, in the event that we undertake a transaction involving the transfer to a non-Israeli entity of IIA-funded know-how pursuant to a merger or similar transaction, the consideration available to our shareholders may be reduced by the amounts we are required to pay to the IIA. If we fail to satisfy the conditions of the Innovation Law, we may be required to refund the amounts of the grants previously received, together with interest and penalties, and may become subject to criminal charges.

Subject to prior approval of the IIA, we may transfer the IIA-funded know-how to another Israeli company. If the IIA-funded know-how is transferred to another Israeli entity, the transfer would still require IIA approval but will not be subject to the payment of the redemption fee (however, there may be an obligation to pay royalties to the IIA from the income of such sale transaction as part of the royalty payment obligation). In such case, the acquiring company would have to assume all of the applicable restrictions and obligations towards the IIA (including the restrictions on the transfer of know-how and manufacturing outside of Israel) as a condition to the IIA's approval.

The Amended Articles provide that, unless we consent otherwise, the competent courts of Tel Aviv, Israel shall be the exclusive forum for substantially all disputes between us and our shareholders under the Companies Law and the Israeli Securities Law, which could limit our shareholders' ability to bring claims and proceedings against, as well as obtain a favorable judicial forum for disputes with, us and our directors, officers and other employees.

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

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements concerning our business, operations and financial performance and condition, as well as our plans, objectives and expectations for our business operations and financial performance and condition. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "contemplate," "continue," "could," "due," "estimate," "expect," "goal," "intend," "may," "objective," "plan," "predict," "potential," "positioned," "seek," "should," "target," "will," "would," and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology. These forward-looking statements include, but are not limited to, statements about:

- our ability to scale up upon our operations, including market acceptance of our vision and light control products;
- the amount and timing of future sales;
- our ability to meet technical and quality specifications;
- our ability to accurately estimate the future supply and demand for our light and vision control products and changes to various factors in our supply chain;
- the market for adoption vision and light control technologies;
- existing regulations and regulatory developments in the United States and other jurisdictions;
- our plans and ability to obtain or protect intellectual property rights, including extensions of patent terms where available and our ability to avoid infringing the intellectual property rights of others;
- the need to hire additional personnel and our ability to attract and retain such personnel;
- our estimates regarding expenses, future revenue, capital requirements and needs for additional financing;
- our dependence on third parties;
- our financial performance;
- the growth of regulatory requirements and incentives;
- risks related to product liability claims or product recalls;
- the overall global economic environment;
- the impact of competition and new technologies;
- our plans to continue to invest in research and develop technology for new products;
- our plans to potentially acquire complementary businesses;
- the impact of any resurgence of COVID-19 or any of its variants or any other pandemic on our business and on the business of our customers;
- security, political and economic instability in the Middle East that could harm our business, including due to the current war between Israel and Hamas; and
- the increased expenses associated with us being a public company.

Forward-looking statements are based on our management's current expectations, estimates, forecasts and projections about our business and the industry in which we operate and our management's beliefs and assumptions, and are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. As a result, any or all of our forward-looking statements in this prospectus may turn out to be inaccurate. Important factors that may cause actual results to differ materially

from current expectations include, among other things, those listed under "Risk Factors" and elsewhere in this prospectus. Potential investors are urged to consider these factors carefully in evaluating the forward-looking statements. You should read this prospectus and the documents that we reference in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect.

Forward-looking statements included in this prospectus speak only as of the date of this prospectus. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future. You should, however, review the factors and risks we describe in the reports we will file from time to time with the SEC after the date of this prospectus. See "*Where You Can Find Additional Information.*" We qualify all of our forward-looking statements by these cautionary statements.

USE OF PROCEEDS

We estimate that the net proceeds from the sale of ordinary shares in this offering will be approximately $65.98 million, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, based on an assumed initial public offering price of $18.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus. If the underwriters exercise their option to purchase up to an additional 625,000 ordinary shares in full, we estimate that the net proceeds to us from this offering will be approximately $76.44 million, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Each $1.00 increase (decrease) in the assumed initial public offering price of $18.00 per ordinary share would increase (decrease) the net proceeds to us from this offering, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, by $3.875 million, assuming that the number of ordinary shares offered by us, as set forth on the cover page of this prospectus, remains the same. We may also increase or decrease the number of ordinary shares we are offering. An increase (decrease) of 1.0 million in the number of ordinary shares we are offering would increase (decrease) the net proceeds to us from this offering, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, by $16.74 million, assuming the assumed initial public offering price stays the same.

The principal purposes of this offering are to obtain additional working capital. We intend to use substantially all of the net proceeds from this offering for general corporate purposes, including the purchase of equipment and materials for the expansion of our production lines, research and development, advertising and marketing, technology development, working capital, operating expenses and other general corporate purposes.

We may also use a portion of the remaining net proceeds, if any, to acquire complementary businesses, products, services or technologies, although we have no binding agreements or commitments to do so at this time. Pending our application of the net proceeds from this offering, we plan to invest such proceeds in short-term, investment-grade, interest-bearing securities and depositary institutions.

The amount and timing of actual expenditures for these purposes may vary significantly and will depend on a number of factors, including our future revenue and cash generated by operations and the other factors described under “Risk Factors.” Accordingly, we will have broad discretion in deploying the net proceeds of this offering.

DIVIDEND POLICY

We have never declared or paid any cash dividends to our shareholders and we do not anticipate or intend to pay cash dividends in the foreseeable future. We currently intend to retain future earnings, if any, to finance operations and expand our business. Any future determination as to the payment of dividends will be at the discretion of the Board and will depend on a number of factors, among other things, our financial condition, results of operations, current and anticipated cash needs and availability and other factors that the Board may consider to be relevant.

The Companies Law imposes further restrictions on our ability to declare and pay dividends. See "*Description of Share Capital — Dividend and Liquidation Rights*" for additional information. Our ability to declare and pay dividends may also be limited by covenants of existing and any future outstanding indebtedness we incur.

Payment of dividends may be subject to Israeli withholding taxes. See "*Taxation — Material Israeli Tax Considerations*" for additional information.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and our capitalization as of March 31, 2024:

- on an actual basis;
- on a pro forma basis to give effect to (i) the adoption of our amended and restated articles of association immediately prior to the consummation of this offering and (ii) (a) the conversion of all of our outstanding redeemable convertible preferred shares into an aggregate of 4,693,318 ordinary shares, (b) the issuance of 496,244 ordinary shares upon the exercise warrants in connection with this offering that were originally issued in our convertible loan agreements and Israeli bank financing and (c) the issuance of 3,882,178 ordinary shares upon the conversion of loan amounts under our convertible loan agreements, each assuming an initial public offering price per share of $18.00, the midpoint of the price range set forth on the cover of this prospectus, as if such conversions and exercises had occurred on March 31, 2024;
- on a pro forma as adjusted basis to give effect to (i) the pro forma adjustments described above, and (ii) the additional issuance and sale of 4,166,667 ordinary shares in this offering, at an assumed public offering price of $18.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us, as if the sale of ordinary shares had occurred on March 31, 2024.

The pro forma as adjusted information set forth in the table below is illustrative only and will be adjusted based on the actual public offering price and other terms of this offering determined at pricing.

You should read this table in conjunction with the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and our financial statements and their accompanying notes and other financial information contained in this prospectus.

	As of March 31, 2024		
	Actual (*Unaudited*)	**Pro Forma (*Unaudited*)**	**Pro Forma As Adjusted**
	(in thousands, except share and per share data)		
Cash and cash equivalents	2,419	8,619	74,595
Long-term debt, including current portion and accumulated interest	121,945	129,633	57,038
Redeemable convertible preferred shares:	70,537	—	—
Convertible Preferred Shares A, A-1, A-2 and A-3, NIS 0.23 par value; 3,671,937 shares authorized; 2,192,611 issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted		—	—
Convertible Preferred Shares B, NIS 0.23 par value; 439,091 shares authorized; 333,366 issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted		—	—
Convertible Preferred Shares C, NIS 0.23 par value; 2,195,457 shares authorized; 590,059 issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted		—	—
Convertible Preferred Shares D, NIS 0.23 par value; 2,195,457 shares authorized; 1,587,881 issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted		—	—
Other stockholders' (deficit) equity:			
Ordinary shares, NIS 0.23 par value; 17,865,497 shares authorized; 5,277,268 shares issued and outstanding, actual; 49,200,191 shares authorized, no par value, 14,349,008 shares issued and outstanding, pro forma; 49,200,191 shares authorized, no par value, 18,515,675 shares issued and outstanding, pro forma as adjusted	320	882	2,017
Additional paid-in capital	37,294	168,588	233,429
Other comprehensive loss	(6,488)	(6,488)	(6,488)
Accumulated deficit	(185,077)	(166,189)	(166,189)
Total shareholders' equity (capital deficiency)	(153,951)	(3,207)	62,768
Total capitalization	38,531	126,426	119,806

The pro forma as adjusted information discussed above is illustrative only and will be adjusted based on the actual initial public offering price and other terms of our initial public offering determined at pricing. Each $1.00 increase (decrease) in the assumed initial public offering price of $18.00 per ordinary share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, additional paid-in capital, shareholders' equity (capital deficiency) and total capitalization by $3.88 million, assuming that the number of ordinary shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of 1.0 million ordinary shares offered by us at the assumed initial public offering price would increase (decrease) each cash and cash equivalents, additional paid-in capital, shareholders' equity (capital deficiency) and total capitalization by $16.74 million.

The number of ordinary shares issued and outstanding pro forma and pro forma as adjusted in the table above is based on 5,277,268 ordinary shares outstanding as of March 31, 2024, together with the conversion of all of our outstanding redeemable convertible preferred shares into an aggregate of (i) 4,693,318 ordinary shares, (ii) the issuance of 496,244 ordinary shares upon the exercise of warrants upon consummation of this offering that were originally issued in our convertible loan agreements and Israeli bank financing and (iii) the issuance of 3,882,178 ordinary shares upon the conversion of loan amounts under our convertible loan agreements, upon consummation of this offering, assuming an initial public offering price per share of $18.00, the midpoint of the price range set forth on the cover of this prospectus, and excludes the following:

- 1,772,273 ordinary shares issuable upon exercise of warrants to purchase ordinary shares outstanding as of such date;
- 1,298,595 ordinary shares issuable upon the exercise of options to directors, employees and consultants under our 2016 Share Award Plan outstanding as of such date, at a weighted average exercise price of $0.07, of which 879,065 were vested as of such date; and
- 394,927 ordinary shares reserved for future issuance as of such date under our 2016 Share Award Plan.

DILUTION

If you invest in our ordinary shares in this offering, your interest will be immediately diluted to the extent of the difference between the initial public offering price per ordinary share in this offering and the pro forma as adjusted net tangible book value per ordinary share after this offering. Dilution results from the fact that the initial public offering price per ordinary share is substantially in excess of the pro forma as adjusted net tangible book value per ordinary share.

As of March 31, 2024, we had a historical net tangible book value of $(127.1) million, or $(24.08) per ordinary share. Our net tangible book value per share represents total tangible assets less total liabilities, divided by the number of ordinary shares outstanding on March 31, 2024.

Our pro forma net tangible book value as of March31, 2024 was $(46.85) million, or $(3.27) per ordinary share. Pro forma net tangible book value per share represents total tangible assets less total liabilities, divided by the number of ordinary shares outstanding as of March 31, 2024 after giving effect to the conversion of all of our outstanding redeemable convertible preferred shares as of March 31, 2024 into an aggregate of 4,693,318 ordinary shares, the issuance of 496,244 ordinary shares upon the exercise of warrants in connection with this offering that were originally issued in our convertible loan agreements and Israeli bank financing and the issuance of 3,882,178 ordinary shares upon the conversion of loan amounts under our convertible loan agreements, assuming an initial public offering price per share of $18.00, the midpoint of the price range set forth on the cover of this prospectus.

After giving further effect to the sale of ordinary shares in this offering at an assumed initial public offering price of $18.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value at March 31, 2024 would have been $1.03 per share. This represents an immediate increase in pro forma as adjusted net tangible book value of $4.3 per share to existing shareholders and immediate dilution of $16.97 per ordinary share to new investors. Dilution for this purpose represents the difference between the price per ordinary share paid by these purchasers and pro forma as adjusted net tangible book value per ordinary share immediately after the completion of this offering.

The following table illustrates this dilution per ordinary share:

Assumed public offering price per ordinary share		$ 18.00
Historical net tangible book value per ordinary share as of March 31, 2024	$ (24.1)	
Pro forma net tangible book value per ordinary share as of March 31, 2024	$ (3.27)	
Increase in net tangible book value per ordinary share attributable to new investors	$ 4.3	
Pro forma as adjusted net tangible book value per ordinary share after this offering		$ 1.03
Dilution per ordinary share to new investors		$ 16.97
Percentage of dilution in net tangible book value per ordinary share for new investors		94.3%

The pro forma and pro forma as adjusted information is illustrative only and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing.

A $1.00 increase (decrease) in the assumed initial public offering price of $18.00 per ordinary share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) our pro forma as adjusted net tangible book value as of March 31, 2024 after this offering by approximately $0.21 per ordinary share, and would increase (decrease) dilution to investors in this offering by $(0.21) per ordinary share, assuming that the number of ordinary shares offered by us, as set forth on the cover page of this prospectus, remains the same, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of ordinary shares we are offering. An increase (decrease) of 1.0 million in the number of ordinary shares we are offering would increase (decrease) our pro forma as adjusted net tangible book value as of March 31, 2024 after this offering by approximately $0.8 per ordinary share, and would decrease (increase) dilution to investors in this offering by approximately $(0.9) per ordinary share, assuming the assumed initial public offering price per ordinary share remains the same, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters exercise in full their option to purchase additional ordinary shares, the pro forma as adjusted net tangible book value will increase to $1.55 per ordinary share, representing an immediate increase in pro forma as adjusted net tangible book value to existing shareholders of $0.52 per ordinary share and an immediate dilution of $16.45 per ordinary share to new investors participating in this offering.

The following table shows, as of March 31, 2024, on a pro forma as adjusted basis, the number of ordinary shares purchased from us, the total consideration paid to us and the average price paid per share by existing shareholders and by new investors purchasing ordinary shares in this offering at an assumed initial public offering price of $18.00 per ordinary share, which is the midpoint of the price range set forth on the cover page of this prospectus, before deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us:

	Shares		Total Consideration		Average Price Per Ordinary Share
	Number	Percent	Amount	Percent	
Existing shareholders	14,349,008	77.5%	$ 103,560,000.00	58%	$ 7.22
New investors	4,166,667	22.5%	$ 75,000,000.00	42%	$ 18.00
Total	18,515,675	100.0%	$ 178,560,000.00	100%	$ 9.64

To the extent any of our outstanding options are exercised, there will be further dilution to new investors. If the underwriters exercise their option to purchase additional ordinary shares from us in full:

- the percentage of ordinary shares held by existing shareholders will decrease to approximately 75.0% of the total number of our ordinary shares outstanding after this offering; and
- the number of ordinary shares held by new investors will increase to approximately 25.0% of the total number of our ordinary shares outstanding after this offering.

A $1.00 increase (decrease) in the assumed initial public offering price of $18.00 per ordinary share (the midpoint of the price range set forth on the cover page of this prospectus) would increase (decrease) the total consideration paid by investors participating in this offering, total consideration paid by all shareholders and the average price per share paid by all shareholders by approximately $70.8 million, $79.2 million, respectively, assuming that the number of ordinary shares offered by us, as set forth on the cover page of this prospectus, remains the same and before deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, a 1.0 million ordinary share increase (decrease) in the number of ordinary shares offered by us, as set forth on the cover of this prospectus, would increase (decrease) the total consideration paid by investors participating in this offering, total consideration paid by all shareholders and the average price per share paid by all shareholders by approximately $57.0 million, $93.0 million, respectively, assuming the assumed initial public offering price of $18.00 per ordinary share (the midpoint of the price range set forth on the cover page of this prospectus) remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The foregoing tables and calculations based on 14,137,253 ordinary shares outstanding as of March 31, 2024, which includes the conversion of all of our outstanding redeemable convertible preferred shares into an aggregate of 4,693,318 ordinary shares, the issuance of 496,244 ordinary shares upon the exercise of warrants in connection with this offering that were originally issued in our convertible loan agreements and Israeli bank financing and the issuance of 3,882,178 ordinary shares upon the conversion of loan amounts under our convertible loan agreements, assuming an initial public offering price per share of $18.00, the midpoint of the price range set forth on the cover of this prospectus, as if such conversions and exercises had occurred on March 31, 2024, and excludes the following:

- 1,772,273 ordinary shares issuable upon exercise of warrants to purchase ordinary shares outstanding as of such date;
- 1,298,595 ordinary shares issuable upon the exercise of options to directors, employees and consultants under our 2016 Share Award Plan outstanding as of such date, at a weighted average exercise price of $0.07, of which 879,065 were vested as of such date; and
- 394.927 ordinary shares reserved for future issuance as of such date under our 2016 Share Award Plan.

To the extent that outstanding options or warrants are exercised, new options or warrants are issued or we issue additional ordinary shares in the future, there will be further dilution to new investors. We may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our equity holders.

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

You should read the following discussion in conjunction with our consolidated financial statements including the related notes thereto, beginning on page F-1 of this prospectus. In addition to historical information, this discussion contains forward-looking statements that involve risks and uncertainties. You should read the sections of this prospectus titled "Risk Factors" and "Special Note Regarding Forward-Looking Statements" for a discussion of the factors that could cause our actual results to differ materially from our expectations.

Overview

We are a fully-integrated light and vision control company, transforming the way we experience our everyday environments. Our cutting-edge nanotechnology and electronics capabilities in light control, and our mechatronics and image analysis technologies in vision control, are revolutionizing mobility and architectural end-markets. We have established distinct leadership positions across these large and high-growth markets, where our technologies are replacing traditional mechanical products, such as shades, blinds and mirrors, with advanced and sustainable solutions offering superior functionality. Our key products include SPD LC films for smart glass applications, as well as CMS and other ADAS solutions. We have established serial production capabilities, either directly or through sub-contracts, with leading aerospace, automotive and architecture companies including Boeing, Honda, Mercedes, Ford, BMW, and Avery Dennison. We benefit from both secular and regulatory tailwinds that are driving the rapid adoption of light and vision control technologies. In addition to our core markets, we believe that our products may have a multitude of tangible applications in other areas such as railway, maritime, specialty vehicle, private security and consumer appliances.

We aim to deliver a full suite of proprietary technologies that offer superior performance attributes by leveraging our differentiated technical capabilities and market insights, a competitive advantage we maintain through our core research and development and innovation organization. We have a comprehensive product offering with multiple complementary light and vision control technologies, enabling us to provide a full range of solutions for light and vision control across diverse markets, applications and geographies. Our vertically integrated in-house production capabilities enable us to offer our products at various stages in the supply chain based on the specific business needs of our customers. For example, we have the capability to simultaneously sell films to glass fabricators, prefabricated stacks to Tier 1 glass manufacturers and, in certain instances, full window systems to original equipment manufacturers, or OEMs.

In light control, our product offerings include smart glass and films that switch from transparent to opaque, controllable dimmable shading, and transparent displays for digital signage and communication. Our light control products allow the user to regulate privacy, solar heat gain, and UV protection. In vision control, we are a leading Tier 1 supplier of ADAS solutions for trucks, buses and coaches, designed to create a safer and more comfortable driving experience. Our unique ADAS offerings remove the need for side- and rear-view mirrors, instead providing the driver with a real-time video display and alerts to reduce blind spots and potential driving hazards.

We enjoy close, collaborative relationships with many OEMs, Tier 1 suppliers, film processors and glass fabricators who rely on our technologies. During the product development process, we customize our solutions to ensure they meet our customers' requirements and are ultimately certified for production. In aerospace, we are a leading Tier 1 supplier for the commercial airline, business jet and helicopter segments, providing fully-manufactured smart glass and advanced shading solutions directly to our customers. We hold a leading market position in cockpit shading systems for commercial airliners and business jets. We are in serial production for cabin shades, either directly or through sub-contracts, with seven business jet OEMs, including Embraer, HondaJet, Bombardier, Gulfstream, Daher and Beechcraft. Furthermore, we have successfully leveraged the technology and mechatronics expertise we have developed as a Tier 1 aerospace supplier to provide additional differentiated products and services to the automotive and architecture markets.

In the automotive and architectural markets, we are a leading Tier 2 supplier of light control technologies. Our unique business model enables automotive and architectural glass fabricators globally to manufacture smart glass that is integrated with our films and electronics. In the automotive segment, OEMs incorporate our technology in glass rooftops, side windows and windshields to replace conventional mechanical sun visors and shades. In the architectural market, we serve all major segments including commercial, retail, residential, healthcare and hospitality for both interior and exterior applications. In the commercial vehicle segment, we are a Tier 1 supplier and one of the market leaders in vision control technologies, including CMS and ADAS systems for the truck, bus and coach market.

We are strategically located in close proximity to our customers. This geographic competitive advantage deepens local customer relationships, enhances commercial innovation, optimizes customer support, shortens supply chains and enables us to deliver our technologies quickly and efficiently around the world. As a result, the typical customer contract length is 15 to over 30 years for customers in our aeronautics segment, approximately eight years for customers in our automotive segment and five to ten years for customers in our safety tech segment. We operate production facilities in Israel, France, Germany and the United States, with sales, marketing and fulfilment centers in 15 locations throughout the globe. We sell our products in over 30 countries through both direct fulfilment and a network of expertly trained and certified distribution channels.

We serve a broad range of end-markets and geographies, enabling us to benefit from a diversified base of revenues. In 2023, we generated approximately 22.5% of our revenue in the United States, 21.7% in Europe (excluding France), 45.8% in France, 1.4% in Israel, and 4.6% in Asia, with the remaining 4.0% generated in other countries across the world. In the same period, we generated approximately 43.4% of our revenue in the aerospace market, 38.1% in safety tech and commercial vehicle market and 18.5% in the automotive and architectural market combined. We also enjoy a diverse customer base, with no single customer representing more than 9.3% and 9.7% of our revenue for the year ended December 31, 2023 and three months ended March 31, 2024, respectively.

For more information regarding our business and operations, see the section entitled "*Business*" below.

Business Combination

On February 7, 2021, we entered into the share purchase agreement in connection with the Business Combination with the Sellers. The Closing Date of the Business Combination was January 26, 2022. The consideration for the Business Combination consisted of $23.7 million (€21.0 million) in cash, the repayment of Vision Lite's loans in an amount of approximately $12.9 million (€11.4 million) and contingent consideration of up to $5.6 million (€5.0 million), contingent on the future revenues of Vision Lite. On the Closing Date, an amount of $9.4 million (€8.4 million) was paid in cash to the Sellers, $9.4million (€8.4 million) was paid to the escrow agent and released thereafter to the Sellers on April 12, 2022, $3.4 million (€3.0 million) was paid to the Sellers on April 28, 2022 and May 11, 2022, respectively. In addition, on May 4, 2022, $1.3 million (€1.2 million) of the consideration was paid into escrow for the purposes of providing indemnification for claims of breach of representations by the Sellers. On January 15, 2023, the $1.3 million (€1.2 million) in escrow was released to the Sellers and invested in the Company in consideration for 9,643 Preferred D Shares. In addition, $12.9 million (€11.4 million) was used to pay off the remainder of Vision Lite's loans. As of the Closing Date, we became the sole shareholder of Vision Lite.

The Vision Lite SPA also contains the Earn Out Agreement with the Sellers. The earn out agreement requires the Company to pay the Sellers amounts ranging up to $5.6 million (€5.0 million), split into two payments of up to $2.8 million (€2.5 million) each, conditional on the annual revenue targets for the calendar years 2022 and 2023. In March 2022, the Earn Out Agreement was amended to include two payments of up to $3.4 million (€3.0 million) each, contingent on meeting annual revenue targets for the calendar years 2022 and 2023. In June 2023, the Earn Out Agreement was amended to re-allocate the payments amongst the Sellers and set forth a payment schedule with respect to the initial $3.4 million (€3.0 million) payment. With respect to the other $3.4 million (€3.0 million) payment, the target revenue that obligates us to pay an earn out amount to the Sellers was increased to €54.4 million. We met the annual revenue target for calendar year 2022. If any portion of the First Earn Out Payment or Second Earn Out Payment is not paid within 90 days of its relevant due date, then such amount shall bear interest at a rate of seven percent per annum. In December 2023, we further amended the Earn Out Agreement with respect to the Amendment Seller and paid $1.7 million (€1.5 million) of the First Earn Out Payment to the Amendment Seller and agreed to pay the remaining balance of $0.325 million (€0.3 million) of the First Earn Out Payment. In March 2024, we paid the remaining balance of the First Earn Out Payment to the Amended Seller and further amended the Earn Out Agreement such that we shall use our best efforts to pay the Amendment Seller the relevant portion of the Second Earn Out Payment, totaling $1.3 million (€1.15 million) by April 25, 2024. In the event that we do not pay such amount to the Amendment Seller by April 25, 2024, the Second Earn Out Payment shall increase to $1.4 million (€1.3 million).

Key Factors Affecting Our Performance

Driving customer adoption. The adoption of light and vision control technologies is still in its early stages with significant runway for further penetration, and as a market leader, we believe that are well positioned to capitalize on the accelerating demand and market adoption by leveraging our best-in-class technologies and recent capacity expansions.

Acquiring new customers. We are a key partner to our large and diversified customer base consisting of glass fabricators, film processors, automobile and aircraft OEMs, airlines and municipalities, among others. As part of our unique business model, we enable the glass industry to manufacture its own smart glass by providing fabricators with materials and technologies to manufacture locally. We manage a large network of glass fabricators worldwide, allowing us to support and grow with our end customers on a global basis and we intend to expand our network to capture further demand and market share over time. We plan to continue to sign new partnerships and win contracts with OEMs and suppliers as they expand their own product lines across the mobility and architecture markets and look for innovative technologies to differentiate their products. While we plan to build on our leadership in CMS technologies for the truck, bus and coach market, we are also focused on expanding our ADAS offering for commercial vehicles and believe we have a substantial opportunity with those customers given our ability to adapt our technologies to cater to the additional complexity that such vehicles require. Moreover, we plan to build on our dominant position amongst aircraft OEMs and completion centers to grow our network of airline customers given the increasing flexibility of airlines to exert more influence on cabin design decision-making.

Expanding our product portfolio and markets. We embrace an entrepreneurial, R&D-centric mindset supported by our well-invested manufacturing platform and dedicated team with significant expertise in material science, mechatronics, image analysis and advanced manufacturing. We will continue to leverage these resources and capitalize on market and customer insights to expand our use cases through new innovative products and value-added features to drive growth. In particular, we emphasize engineering for tomorrow and believe that anticipating customer needs and preferences is an integral part of customer adoption. As a result, our business and engineering personnel become closely acquainted, and develop deep relationships, with our customers. These close customer relationships enable us to identify and forecast the needs of our customers and draw upon our intellectual property portfolio and expertise in technology research and development to create new products and successfully position our portfolio within the ever-changing business environment.

Leveraging our manufacturing and operational capabilities. In recent years, we have made strategic investments to expand our manufacturing capabilities. We operate as a one-stop shop and are deeply involved across our products' value chain, spanning across product development and nanoparticle synthesis through lamination and processing, enabling us to more effectively realize opportunities to reduce production costs and react faster to fluctuations in market demand. We believe there is an opportunity for significant margin expansion as we continue to scale our business and benefit from increased capacity utilization and fixed operating leverage. We also expect to benefit from improved purchasing power for our raw materials and components and continued manufacturing efficiencies and productivity initiatives driven by our research and development efforts both on the material science and engineering sides. As an example, we have successfully reduced LC film thickness from 25 microns to 20 microns enabling an approximately 20% reduction in material cost for select products and have also successfully doubled our LC line running speed. We have identified and have begun to implement additional projects that we expect will provide incremental net manufacturing productivity and improved margins in the coming years.

Acquisitions. We believe we are well-positioned as an acquirer of choice due to our global presence, industry-recognized leadership in innovation, diverse manufacturing network and highly entrepreneurial, multi-cultural team with significant engineering and material science expertise. As a public company, we expect to have the added flexibility of financing future acquisitions through our public currency in addition to other funding sources. We have a proven track record with our successful acquisition and integration of Vision Lite in January 2022 and intend to target opportunities that strengthen our market position, expand our product portfolio, enhance our technologies and extend our manufacturing capabilities, including through vertical integration. In February 2023, we completed an acquisition of Resonac's (formerly Hitachi Chemical) full SPD intellectual property portfolio and business, which included obtaining and learning the know-how with respect to Resonac's technical and business information related to such acquired patents, another testament to our acquisition sourcing and execution capabilities.

Economic conditions and resulting business trends. Our results of operations are impacted by the relative strength of the overall economy and its effect on business investment, unemployment, consumer spending behavior, and business and consumer demand. Our customers' underlying business activities are also linked to the macroeconomic and geopolitical environment. Global supply chain disruptions, inflation, high energy prices and supply-demand imbalances are expected to continue in 2024. In addition, terrorism or other geopolitical events may increase the likelihood of supply chain interruptions and may impair our ability to compete in current or future

markets, or otherwise subject us to potential material liability. While we do not believe that our business segments, products, lines of service, projects or operations have been materially impacted by the global supply chain disruptions, we cannot guarantee that we will not be materially impacted by the economic uncertainty and volatility in the markets in the future. We cannot quantify such impact to our business at this moment, as we are an early growth stage company and have not yet commenced the mass production and sale of products. To mitigate supply chain risks we may face in the future, we aim to focus on Tier 1 suppliers located in close proximity to our production facilities and will seek to negotiate contracts with our suppliers that lock in price and delivery commitments. Since we are strategically located in close proximity to our customers, we have a geographic competitive advantage that deepens local customer relationships, enhances commercial innovation, optimizes customer support, shortens supply chains and enables us to deliver our technologies quickly and efficiently around the world.

Impact of supply chain disruptions on business operations. In connection with the ongoing global supply chain disruption, we continue to work with our suppliers on (i) mitigating the effects of recent procurement shortages, (ii) negating the impacts on supply chain disruption on costs and (iii) effectively scheduling for key product developments. Mitigation steps undertaken by us include design modifications that utilize parts and materials that are more readily available and the expansion of our supply chain to form a wider procurement network to source products in short supply. To date, these mitigation steps have been successful at reducing the impact of supply chain disruptions while also maintaining our commitment to product quality and performance reliability. To date, no new material risks have emerged as a result of these mitigation steps. We anticipate these supply chain challenges will continue to exist over the near term and plan to continually employ mitigation strategies to reduce the impact on future product deliveries.

Key Business Metrics and Non-GAAP Financial Measures

We monitor the key business metrics set forth below to help us evaluate growth trends, establish budgets, measure the effectiveness of our sales and marketing efforts, and assess operational efficiencies. Our key business metrics are revenue backlog, EBITDA, Adjusted EBITDA and Free Cash Flow. Increases or decreases in our key performance metrics may not correspond with increases or decreases in our revenue.

The following table summarizes the key performance metrics that we use to evaluate our business for the years ended December 31, 2023 and 2022 and the three months ended March31, 2024 and 2023.

		Year Ended December 31,		Three Months Ended March 31,	
(in thousands of USD)		**2022**	**2023**	**2023**	**2024**
Revenue backlog	$	19,680	32,694	26,432	36,852
EBITDA	$	(26,783)	(26,251)	(4,181)	(8,103)
Adjusted EBITDA	$	(20,000)	(20,697)	(2,801)	(4,751)
Adjusted EBITDA Margin		(40.8)%	(26.5)%	(16.1)%	(19.2)%
Free Cash Flow	$	(33,051)	(37,044)	(5,416)	(8,358)

Revenue Backlog

Revenue backlog is a key business metric that we define as booked orders based on purchase orders or hard commitments (having a duration of less than one year) that have not been shipped yet or have been shipped but not yet recognized as revenue. We consider revenue backlog to be a useful metric for management and investors, because it is not affected by accounting standards, and, while its evaluated independently of our deferred revenue pursuant to our revenue recognition policy, it can be an important indicator of our expected recognized revenue for the periods following the measurement date. Our revenue backlog as of March 31, 2024 was approximately $36.9 million, compared to revenue backlog of approximately $26.4million as of March 31, 2023. Our revenue backlog as of December 31, 2023 was approximately $32.7million, compared to revenue backlog of approximately $19.7 million as of December 31, 2022. The increase was primarily attributable to an increase in sales in 2023 in our aeronautics and safety tech business units compared to 2022. See "*Prospectus Summary — Summary Historical and Pro Forma Consolidated Financial Data*" for information regarding the limitations of using revenue backlog as a financial measure.

EBITDA

EBITDA is a non-GAAP financial metric that we define as our net loss excluding net financial expense, tax expense and depreciation and amortization. Our EBITDA is approximately $(26.3) million and $(26.8) million for the years ended December 31, 2023 and 2022. This was primarily driven by operating expenses, including our share-based compensation, research and development expenses, general and administrative expenses and sales and marketing expenses. Our EBITDA decreased from $(4.2) million for the three months ended March 31, 2023 to $(8.1) million for the three months ended March 31, 2024. This decrease was primarily driven by increases in operating expenses, including our share-based compensation, research and development expenses, general and administrative expenses and sales and marketing expenses, partially offset by the higher gross profit in the three months ended March 31, 2024. See "*Prospectus Summary — Summary Historical and Pro Forma Consolidated Financial Data*" for information regarding the limitations of using EBITDA as a financial measure and for a reconciliation of EBITDA to its most directly comparable GAAP measure.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA is a non-GAAP financial metric that we define as EBITDA (as defined above) excluding acquisition related costs, one-time expenses and equity-based compensation expenses. Our Adjusted EBITDA decreased from $(20.0) million for the year ended December 31, 2022 to $(20.7) million for the year ended December 31, 2023. This decrease was primarily driven by increases in operating expenses, research and development expenses, general and administrative expenses and sales and marketing expenses, partially offset by the higher gross profit in 2023. Our Adjusted EBITDA decreased from $(2.8) million for the three months ended March 31, 2023 to $(4.8) million for the three months ended March31, 2024. This decrease was primarily driven by increases in operating expenses, research and development expenses, general and administrative expenses and sales and marketing expenses, partially offset by the higher gross profit in the three months ended March 31, 2024. See "*Prospectus Summary — Summary Historical and Pro Forma Consolidated Financial Data*" for information regarding the limitations of using Adjusted EBITDA as a financial measure and for a reconciliation of Adjusted EBITDA to its most directly comparable GAAP measure.

We define Adjusted EBITDA Margin as Adjusted EBITDA for the period divided by revenue for the same period. Our Adjusted EBITDA Margin increased from (40.8%) for the year ended December 31, 2022 to (26.5%) for the year ended December 31, 2023. The increase was primarily driven by increase in revenue year-on-year. Our Adjusted EBITDA Margin decreased from (16.1%) for the three months ended March 31, 2023 to (19.2%) for the three months ended March 31, 2024. The decrease was primarily driven by decrease in gross profit margin.

The following table reconciles Adjusted EBITDA in each of our three operating segments: architecture and automotive, safety tech and aeronautics for each of the periods presented:

Three Months Ended March 31, 2024 Compared to Three Months Ended March 31, 2023

	Three Months Ended March 31,									
	2023					2024				
(in thousands of USD)	Architecture	Automotive	Aeronautics	Safety Tech	Total	Architecture	Automotive	Aeronautics	Safety Tech	Total
EBITDA	$ (4,175)	(44)	461	(423)	(4,181)	(3,155)	(4,933)	1,587	(1,602)	(8,103)
Acquisition costs related to the Business Combination	$ 25	—	25	25	75	452	452	214	213	1,331
Non-cash fair value adjustments[1]	$ 896	—	—	—	896	25	—	—	—	25
Equity-based compensation expense	$ 422	—	—	—	422	1,080	1,080	—	—	2,160
Doubtful debt expenses (income)[2]	$ (3)	—	(5)	(5)	(13)	8	—	(86)	(86)	(164)
Adjusted EBITDA	$ (2,835)	(44)	481	(403)	(2,801)	(1,590)	(3,401)	1,715	(1,475)	(4,751)
Adjusted EBITDA Margin	(94.0)%	(29.4)%	(5.5)%	6.9%	(16.1)%	(60.5)%	(260.4)%	16.9%	(13.8)%	(19.2)%

(1) One-time expenses related to the Earn Out Agreement with the Sellers.
(2) Doubtful debt expenses related to accounts receivable that we do not expect to collect; such amounts are not included in our net trade receivables.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

	Year Ended December 31,							
	2022				2023			
(in thousands of USD)	Architecture & Automotive	Aeronautics	Safety Tech	Total	Architecture & Automotive	Aeronautics	Safety Tech	Total
EBITDA	$ (23,124)	(2,740)	(919)	(26,783)	(21,531)	364	(5,084)	(26,251)
Acquisition related costs and debt raising costs	$ 2,287	26	26	2,339	—	—	—	—
Initial public offering, debt and note purchase agreement expenses	$ —	—	—	—	307	849	850	2,006
Non-cash fair value adjustments[1]	$ 2,594	—	—	2,594	747	—	—	747
Equity-based compensation expense	$ 1,678	—	—	1,678	2,567	—	—	2,567
Doubtful debt expenses[2]	$ —	86	86	172	24	105	105	234
Adjusted EBITDA	$ (16,565)	(2,628)	(807)	(20,000)	(17,886)	1,318	(4,129)	(20,697)
Adjusted EBITDA Margin	(159)%	(13.0)%	(4.4)%	(40.8)%	(123.8)%	(3.9)%	(13.9)%	(26.5)%

(1) One-time expenses related to the Earn Out Agreement with the Sellers.
(2) Doubtful debt expenses related to accounts receivable that we do not expect to collect; such amounts are not included in our net trade receivables.

Free Cash Flow

Free Cash Flow is a non-GAAP financial metric that we define as net cash used in operating activities less capital expenditures. Our Free Cash Flow decreased from $(33.1) million for the year ended December 31, 2022 to $(37.0) million for the year ended December 31, 2023. This decrease was primarily driven by increase of operating activities in the amount of $(1.3) million and additional capex investments in the amount of $(2.6) million. Our Free Cash Flow decreased from $(5.4) million for the three months ended March 31, 2023 to $(8.4) million for the three months ended March 31, 2024. This decrease was primarily driven by increase of operating activities. See "*Prospectus Summary — Summary Historical and Pro Forma Consolidated Financial Data*" for information regarding the limitations of using Free Cash Flow as a financial measure.

The following table shows the breakdown of our historical capital expenditures and growth capital expenditures for each of the periods presented:

	Year Ended December 31,		Three Months Ended March 31,	
(in thousands of USD)	2022	2023	2023	2024
Historical Capital Expenditures	$ 3,390	5,600	1,374	1,349
Growth Capital Expenditures	$ 282	329	49	71

We believe that these non-GAAP financial measures are useful in evaluating our business as a way of assisting an investor in evaluating future cash flows of the business.

Components of Operating Results

The period-to-period comparisons of our results of operations have been prepared using the historical periods included in our consolidated financial statements. The following discussion should be read in conjunction with the consolidated financial statements and related notes included elsewhere in this document.

Revenues

We primarily derive revenue mainly from the sale of cockpit and cabin shading in our aeronautics segment, the sale of ADAS technology and driver safety doors in our safety tech segment, and the sale of SPD and LC films for smart glass applications in our architecture and automotive segments.

We expect revenue to increase over time as we expand our customer base. We expect that our revenue will fluctuate from period to period due to new product offerings, varying branding and sales activities, entrance into new end-markets and market segments and evolving policies and regulations in the United States and Europe.

Cost of revenues

Cost of revenues mainly consists of raw materials used in the production line for our products, shipping and handling costs, salary of headcount related to production, employee-related expenses and overhead expenses of internal assembly line and service costs. Cost of revenues also consists of royalties to the IIA.

Research and development expenses

Research and development expenses include costs directly attributable to the conduct of research and development programs, including the cost of payroll taxes and other employee benefits, lab expenses, consumable equipment and consulting fees. We received royalty-bearing grants, which represents participation of the IIA in approved programs for research and development. These grants are recognized as a reduction of research and development expenses as the related costs are incurred.

Research credit tax granted by the French Government is recognized when the tax credit becomes receivable, provided there is reasonable assurance that Vision Lite will comply with the conditions attributed to this credit and there is reasonable assurance the credit will be received. The tax credit is deducted from research and development expenses as the applicable costs are incurred.

We expect to continue to invest in research and development to enhance our solutions and offerings to our customers, including hiring additional employees and continuing research and development projects. As a result, we expect that our research and development expenses will continue to increase in absolute dollars in future periods and vary from period to period as a percentage of revenue.

General and administrative expenses

General and administrative expenses consist primarily of personnel costs, including share-based compensation related to directors and employees, facility costs, office space rental costs, patent application and maintenance expenses, external professional service costs, including legal, accounting, audit, finance, business development, investor relations, and human resource services, and other consulting fees.

We expect that our general and administrative expenses will continue to increase in absolute dollars in future periods, primarily due to increased headcount to support anticipated growth in the business and due to incremental costs associated with operating as a public company, including costs to comply with the rules and regulations applicable to companies listed on a securities exchange and costs related to compliance and reporting obligations pursuant to the rules and regulations of the SEC and stock exchange listing standards, public relations, insurance and professional services.

Sales and marketing expenses

Sales and marketing expenses include employee-related expenses, such as salaries and share-based compensation, expenses relating to outsourced and contracted services, such as subcontractor, advertising and exhibition expenses, public relations and websites costs.

We expect our sales and marketing expenses to increase in absolute dollars as we expand our commercial sales, marketing and business development teams; increase our presence globally; and increase marketing activities to drive awareness and adoption of our products. While these expenses may vary from period to period as a percentage of revenue, we expect these expenses to increase as a percentage of sales in the short term as we continue to grow our commercial organization to drive anticipated growth in the business.

Financial expenses

The finance expenses consisted primarily of change in fair value of investments, warrants and financial liabilities measured at fair value, interest expenses on loans and exchange rate differences expenses.

Income Taxes

Income taxes primarily consist of income taxes from our subsidiaries in Germany, the United States and China.

Basis of Presentation

We currently conduct our business and report our financial results through three operating segments: architecture and automotive, safety tech and aeronautics.

Results of Operations

The period-to-period comparisons of our results of operations have been prepared using the historical periods included in our consolidated financial statements. The following discussion should be read in conjunction with the consolidated financial statements and related notes included elsewhere in this document. We have derived this data from our consolidated financial statements included elsewhere in this prospectus.

Three Months Ended March 31, 2024 Compared to Three Months Ended March 31, 2023

	Three Months Ended March 31,	
(in thousands of USD, except share and per share data)	**2023**	**2024**
Revenues	$ 17,433	$ 24,729
Cost of revenues (exclusive of depreciation and amortization)	12,288	18,007
Depreciation and amortization	481	507
Total cost of revenues	12,769	18,514
Gross profit	4,664	6,215
Gross profit margin	27%	25%
Operating expenses:		
Research and development expenses (exclusive of depreciation and amortization reflected below)	$ 3,445	$ 4,381
General and administrative expenses (exclusive of depreciation and amortization reflected below)	2,612	6,129
Sales and marketing expenses (exclusive of depreciation and amortization reflected below)	2,911	4,290
Depreciation and amortization	896	1,021
Other expenses	358	25
Operating loss	5,558	9,631
Financial expenses, net	12,947	3,554
Other income	—	—
Loss before income tax	18,505	13,185
Income tax	14	62
Loss for the period	$ 18,519	$ 13,247

Revenues

Revenues increased by approximately $7.3 million, or 41.9%, to $24.7 million for the three months ended March 31, 2024, compared to $17.4 million for the three months ended March 31, 2023. The increase resulted mainly from an increase in the volume of sales from existing and new customer accounts, primarily in aeronautics and safety-tech segments.

Cost of revenues

Cost of revenues increased by approximately $5.7 million, or 45.0%, to $18.5 million for the three months ended March 31, 2024, compared to $12.8 million for the three months ended March 31, 2023. The increase resulted mainly from an increase of $4.9 million in materials costs consist with the higher sales activity, and an increase of $1.0 million in payroll and related expenses, including share-based compensation, primarily due to an increase in salaries and an increase in the number of operational and production employees.

Gross Profit and Gross Profit Margin

Gross profit increased by approximately $1.6 million, or 33%, to $6.2 million for the three months ended March 31, 2024, compared to $4.6 million for the three months ended March 31, 2023. The increase resulted mainly from the increase in revenue from the corresponding quarterly period.

Gross profit margin represents our gross profit as a percentage of our revenue. Gross profit margin decreased by approximately 2% to 25% for the three months ended March 31, 2024, compared to 27% for the three months ended March 31, 2023.

For the three months ended March 31, 2024, our gross profit margin was 44.1%, (30)%, 29.2% and 12.8% in our aeronautics, automotive, architecture and safety tech segments, respectively. For the three months ended March 31, 2023, our gross profit margin was 34.9%, (29.4)%, 34.3% and 16.9% in our aeronautics, automotive, architecture and safety tech segments, respectively.

Research and development expenses

Research and development expenses increased by approximately $0.9 million, or 27.2%, to $4.4 million for the three months ended March 31, 2024, compared to $3.4 million for the three months ended March 31, 2023. The increase resulted mainly from an increase in payroll and related expenses in the amount of $0.5 million, which was primarily due to an increase in salaries and an increase in the number of research and development employees and an increase in materials costs in the amount of $0.3 million.

General and administrative expenses

General and administrative expenses increased by approximately $3.5 million, or 134.6%, to $6.1 million for the three months ended March 31, 2024, compared to $2.6 million for the three months ended March 31, 2023. The increase resulted mainly from an increase in payroll and related expenses, including share-based compensation, in the amount of $2.4 million and by an increase in professional services costs in the amount of $0.4 million.

Sales and marketing expenses

Sales and marketing expenses increased by approximately $1.4 million, or 47.4%, to $4.3 million for the three months ended March 31, 2024, compared to $2.9 million for the three months ended March 31, 2023. The increase resulted mainly from an increase in payroll and related expenses, including share-based compensation, in the amount of $0.7 million, an increase in rent and maintenance costs in the amount of $0.4 million and an increase in professional services costs in the amount of $0.2 million.

Other expenses

Other expenses decreased by approximately $0.33 million, or 93%, to $0.03 million for the three months ended March 31, 2024, compared to $0.36 million for the three months ended March 31, 2023, reflecting changes in the fair value of contingent consideration resulting from the Vision Lite acquisition.

Financial expenses, net

Financial expenses, net decreased by approximately $9.4 million, or 72.5%, to $3.6 million for the three months ended March 31, 2024, compared to $12.9 million for the three months ended March 31, 2023. This decrease was mainly due to a decrease of $10.2 million in the fair value of warrants and financial liabilities measured at fair value, a decrease of $0.9 million in loss from investment, off-set by an increase of $1.5 million in interest expense on loans and long-term debt.

Net loss

Net loss decreased by approximately $5.3 million, or 28.5%, to $13.2 million for the three months ended March 31, 2024, compared to $18.5 million for the three months ended March 31, 2023. The decrease was mainly due to a decrease in our financial expenses.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

(in thousands of USD, except share and per share data)	Year Ended December 31, 2022	2023
Revenues	$ 49,033	$ 77,980
Cost of revenues (exclusive of depreciation and amortization)	37,457	55,992
Depreciation and amortization	1,889	2,047
Total cost of revenues	39,346	58,039
Gross profit	9,687	19,941
Gross profit margin	20%	26%
Operating expenses:		
Research and development expenses (exclusive of depreciation and amortization reflected below)	$ 12,216	$ 16,035
General and administrative expenses (exclusive of depreciation and amortization reflected below)	12,856	16,187
Sales and marketing expenses (exclusive of depreciation and amortization reflected below)	10,693	15,302
Depreciation and amortization	3,711	3,664
Other expenses	2,594	747
Operating loss	32,383	31,994
Financial expenses, net	5,476	47,122
Other income	—	(32)
Loss before income tax	37,859	79,084
Income tax	44	183
Loss for the period	$ 37,903	$ 79,267

Revenues

Revenues increased by approximately $29.0 million, or 59.0%, to $78.0 million for the year ended December 31, 2023, compared to $49.0 million for the year ended December 31, 2022. The significant increase resulted mainly from revenues increases of $13.7 million from the aeronautics segment and $11.2 million from the safety-tech segment, as well as an increase in the volume of sales from existing and new customer accounts in the amount of $4.1 million from the architecture and automotive segment.

Cost of revenues

Cost of revenues increased by approximately $18.7 million, or 47.5%, to $58.0 million for the year ended December 31, 2023, compared to $39.3 million for the year ended December 31, 2022. The significant increase resulted mainly from an increase of $16.7 million in materials costs consistent with the higher sales activity, an increase of $1.9 million in rent and maintenance expenses and an increase of $1.5 million in payroll and related expenses, including share-based compensation, primarily due to an increase in salaries and an increase in the number of operational and production employees, offset by a decrease of $1.4 million in other expenses.

Gross Profit and Gross Profit Margin

Gross profit increased by approximately $10.2 million, or 106%, to $19.9 million for the year ended December 31, 2023, compared to $9.7 million for the year ended December 31, 2022. The increase resulted mainly from the increase in revenue year-on-year.

Gross profit margin represents our gross profit as a percentage of our revenue. Gross profit margin increased by approximately 6% to 26% for the year ended December 31, 2023, compared to 20% for the year ended December 31, 2022.

For the year ended December 31, 2023, our gross profit margin was 36.1%, 26.3% and 17.6% in our aeronautics, automotive and architecture and safety tech segments, respectively. For the year ended December 31, 2022, our gross profit margin was 27.3%, 27.5% and 13.4% in our aeronautics, automotive and architecture and safety tech segments, respectively.

Research and development expenses

Research and development expenses increased by approximately $3.8 million, or 31.3%, to $16.0 million for the year ended December 31, 2023, compared to $12.2 million for the year ended December 31, 2022. The increase resulted mainly from an increase in payroll and related expenses, including share-based compensation, in the amount of $1.3 million, primarily due to an increase in the number of research and development employees and an increase in salaries, an increase in material costs in the amount of $0.8 million and an increase in rent and maintenance costs in the amount of $0.7 million.

General and administrative expenses

General and administrative expenses increased by approximately $3.3 million or 25.9%, to $16.2 million for the year ended December 31, 2023, compared to approximately $12.9 million for the year ended December 31, 2022. The increase resulted mainly from an increase in payroll and related expenses, including share-based compensation, in the amount of $2.1 million and an increase in rent and maintenance expenses in the amount of $1.1 million.

Sales and marketing expenses

Sale and marketing expenses increased by approximately $4.6 million, or 43.1%, to $15.3 million for the year ended December 31, 2023, compared to $10.7 million for the year ended December 31, 2022. The increase resulted mainly from an increase in payroll and related expenses, including share-based compensation, in the amount of $2.4 million, an increase of $1.2 million in subcontractors and professional services costs and an increase in rent and maintenance costs in the amount of $0.8 million.

Other expenses

Other expenses totaled $0.7 million for the year ended December 31, 2023, compared to $2.6 million for the year ended December 31, 2022, and reflects changes in fair value of contingent consideration, resulting from the Vision Lite acquisition.

Financial expenses, net

Financial expenses, net increased by approximately $41.6 million, or 760.5%, to $47.1 million for the year ended December 31, 2023, compared to $5.5 million for the year ended December 31, 2022. This increase was mainly due to an increase of $29.3 million in the fair value of warrants and financial liabilities measured at fair value, an increase of $9.1 million in interest expense on loans, convertible loans and long-term debt and an increase in the loss from investment related to RFI shares in the amount of $2.0 million.

Net loss

Net loss increased by approximately $41.4 million, or 109.1%, to $79.3 million for the year ended December 31, 2023, compared to $37.9 million for the year ended December 31, 2022. The increase was mainly due to the increase in our costs of revenues, research and development expenses, sales and marketing expenses, general and administrative expenses and financial expenses.

Liquidity and Capital Resources

Overview

Our capital requirements will depend on many factors, including sales volume, the timing and extent of spending to expand our production capabilities, support research and development efforts, investments in information technology systems, the expansion of sales and marketing activities, increased costs as we continue to hire additional personnel, and market adoption of new and enhanced products and features. For the years ended December 31, 2023 and 2022, we had a net loss of $79.3 million and $37.9 million, respectively. For the three months ended March 31, 2024 and 2023, we had a net loss of $13.2 million and $18.5 million, respectively. As of December 31, 2023 and March 31, 2024, our cash, cash equivalents totaled $4.6 million and $2.4 million, respectively.

To date, our principal sources of liquidity have been proceeds from our private offerings of our convertible securities, proceeds from the issuance of SAFEs and proceeds from loans and credit facilities.

Based on our current business plan, we believe our current cash and cash equivalents, anticipated cash flow from operations and credit facilities, will be sufficient to meet our anticipated cash requirements over at least the next 12 months from the date of this prospectus. Even after completion of this offering, we may need to raise additional capital before we can expect to become profitable from sales of our light and vision control products and may raise additional capital to expand our business, to pursue strategic investments, to take advantage of financing opportunities or for other reasons.

If we are required to raise additional funds by issuing equity securities, dilution of shareholders may result. Any debt or equity securities issued may also have rights, preferences, and privileges senior to those of holders of our ordinary shares. The terms of debt securities or borrowings could impose significant restrictions on our operations. The credit market and financial services industry have in the past, and may in the future, experience periods of uncertainty that could impact the availability and cost of equity and debt financing.

We have lease obligations and other contractual obligations and commitments as part of our ordinary course of business. See "*Note 9: Operating Leases*" to our consolidated financial statements for information about our lease obligations. We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements involving commitments or obligations, including contingent obligations, arising from arrangements with unconsolidated entities or persons that have or are reasonably likely to have a material current or future effect on our financial condition, results of operations, liquidity, cash requirements or capital resources.

Capital Expenditures

For the years ended December 31, 2023 and 2022, we made capital expenditures of $5.9million and $3.7 million, respectively. For the three months ended March 31, 2024 and 2023, we made capital expenditures of $1.4 million and $1.4 million, respectively. These capital expenditures mainly include expenditures related to leasehold improvements and demonstrations.

Government Grants

Our research and development efforts were financed, in part, through royalty-bearing and non-royalty-bearing grants from the IIA. As of March 31, 2024, we received IIA royalty-bearing grants totaling approximately $1.25 million of which approximately $0.12 million of such amount has been repaid. In addition, as of March 31, 2024, we received IIA non-royalty-bearing grants totaling approximately $1.12 million.

We are committed to pay royalties to the IIA at a rate of approximately 1.0% to 3.5% on sales proceeds from our products (and know-how and related services) that were developed, in whole or in part, using the IIA royalty-bearing grants we received under IIA programs up to the total amount of royalty-bearing grants received, linked to the U.S. dollar and bearing annual interest at rates prescribed by the IIA's rules and guidelines.

We may in the future apply to receive additional grants from the IIA. However, we cannot predict whether we will be entitled to any future grants, or the amounts of any such grants.

Under the Innovation Law, research and development programs that meet specified criteria and are approved by a committee of the IIA are eligible for grants. A company that receives a royalty-bearing grant from the IIA is typically required to pay royalties to the IIA on income generated from products incorporating IIA-funded know-how (including income derived from services associated with such products and from IIA-funded know-how), up to 100% of the U.S. dollar-linked royalty-bearing grant amount plus interest.

The obligation to pay royalties is contingent on actual income generated from such products and services. In the absence of such income, no payment of royalties is required.

In general, the Innovation Law requires that the products developed as part of the programs under which the grants were given be manufactured in Israel, unless prior approval is attained from the IIA (such approval is not required for the transfer of a portion of the manufacturing capacity which does not exceed, in the aggregate, 10% of the manufacturing (in which case only notification is required, however, the IIA has a right to deny such transfer

within 30 days following the receipt of such notice)). In general, the transfer of manufacturing capacity outside of Israel may be subject to an increase in the amount of royalties payable (depending on the manufacturing volume to be performed outside Israel) and to an increase in the rate of royalties.

The Innovation Law also restricts the ability to transfer IIA-funded know outside of Israel. A transfer for the purpose of the Innovation Law is generally interpreted very broadly and includes, among other things, any sale of the IIA-funded know-how, any license to develop the IIA-funded know-how or the products resulting from such IIA-funded know-how or any other transaction, which, in essence, constitutes a transfer of IIA-funded know-how. This limitation does not restrict the export of products that incorporate IIA-funded know-how. A transfer of IIA-funded know-how outside of Israel requires prior approval and may be subject to payment of a redemption fee to the IIA, calculated in accordance with a formula provided under the Innovation Law. The redemption fee is subject to a cap of six times the total amount of the IIA grants, plus interest.

Subject to prior approval of the IIA, we may transfer the IIA-funded know-how to another Israeli company. If the IIA-funded know-how is transferred to another Israeli entity, the transfer would still require IIA approval but will not be subject to the payment of the redemption fee (however, there may be an obligation to pay royalties to the IIA from the income of such sale transaction as part of the royalty payment obligation). In such case, the acquiring company would have to assume all of the applicable restrictions and obligations towards the IIA (including the restrictions on the transfer of know-how and manufacturing outside of Israel) as a condition to the IIA's approval.

The restrictions under the Innovation Law, including restrictions on the transfer of IIA-funded know-how and manufacturing outside of Israel, continue to apply even after the payment of the full amount of royalties in respect of grants. However, upon payment of the redemption fee on a transfer of IIA-funded know-how outside Israel, the obligations towards the IIA (including the obligation to pay royalties) and restrictions under the Innovation Law cease to apply.

We cannot be certain that any approval of the IIA will be obtained on terms that are acceptable to us, or at all. We may not receive the required approvals should we wish to transfer IIA-funded know-how and/or manufacture products developed with IIA-funded know-how outside of Israel in the future. Furthermore, in the event that we undertake a transaction involving the transfer to a non-Israeli entity of IIA-funded know-how pursuant to a merger or similar transaction, the consideration available to our shareholders may be reduced by the amounts we are required to pay to the IIA. If we fail to satisfy the conditions of the Innovation Law, we may be required to refund the amounts of the grants previously received, together with interest and penalties, and may become subject to criminal charges.

Indebtedness

Israeli Bank Loans

During 2020, we entered into a loan agreement with an Israeli bank in the amount of $0.5 million, or the 2020 Loan. The annual interest rate was Libor + 10.5% and the loan was to be repaid in 30 monthly payments beginning in March 2021. As part of the terms of the loan, we issued to the bank warrants to purchase 4,180 series C preferred shares at an exercise price of $14.35 per share and exercisable for eight years commencing from the date of the loan. In addition, under the terms of the warrant, the holder has the right to receive an alternative payment of $60,000 in lieu of shares in the event of an IPO or certain liquidity events, or if the holder is required under certain circumstances to exercise the warrant.

On October 19, 2021, we entered into an additional loan facility agreement with an Israeli bank, pursuant to which we borrowed an aggregate loan amount of $3 million, which bore interest at a rate of 4.2% per annum, or the 2021 Loan. The 2021 Loan was to be repaid no later than March 31, 2022. As part of the terms of the 2021 Loan, we issued to the bank warrants to purchase up to 5,792 shares of the most senior class of our shares existing as of a date determined pursuant to the terms thereof (i.e., our series D preferred shares), at an exercise price of $31.08 per share and exercisable for eight years commencing from the date of the loan. The 2020 Loan, and 2021 Loan were secured by first ranking floating and fixed charges on substantially all of our tangible and intangible assets including intellectual property as well as first-priority fixed charge on all of our financial assets within our bank account. The loan agreements governing the bank loans contained certain financial covenants, including that we

must maintain a minimum aggregate cash balance deposited in the bank of the higher of $0.3 million or 20% from the 2021 loan balance and 33% of other existing loans balances. As of December 31, 2023, the restricted amount from our marketable securities was $1.9 million.

In January 2022, the bank loans were repaid in full following the signing of the Facility Agreement described below. Following the signing of the Facility Agreement, inter alia, the commitments under the Company's loans with an Israeli bank in an amount of $3.7 million were repaid except for: (i) the three outstanding warrants issued to the bank; (ii) a loan agreement dated May 13, 2020, pursuant to which the Company borrowed an aggregate loan amount of NIS 2.1 million; (iii) a pledge dated January 23, 2018 registered on February 2, 2018 and a pledge dated May 13, 2020 registered on June 8, 2020, and (iv) a fee to be paid to the bank in case of an exit event.

Convertible Loan Agreements

During the first quarter of 2020, we entered into convertible loan agreements, or the 2020 Convertible Loan Agreements, with three lenders, or the CLA Lenders, pursuant to which the CLA Lenders agreed to loan us a sum of $2.55 million, or the Loan Amount. The 2020 Convertible Loan Agreements were issued with accompanying warrants to purchase series C shares and bear 10% annual interest and matured on July 31, 2021. If the Loan Amount is repaid or converted prior to the maturity date, the interest will be calculated as of the maturity date and not the actual repayment or conversion date. During January 2021, one of the CLA Lenders converted its 2020 Convertible Loan Agreement into 15,008 series C preferred shares, for an amount of $230,000 including accrued interest. As a result of the 2020 Convertible Loan Agreement having converted into series C preferred shares in January 2021, such CLA Lender's warrants expired according to their terms.

During March 2020, we entered into an additional convertible loan agreement, or the Subsequent 2020 Convertible Loan Agreement, with a lender (pursuant to which the lender agreed to loan us a sum of $3 million). The Subsequent 2020 Convertible Loan Agreement was issued with warrants to purchase preferred C shares and bore 8% annual interest with a maturity date of March 25, 2022. In September 2020, as a result of a Qualified Financing, the lender converted the Subsequent Loan Amount into 217,025 series C preferred shares, out of which 205,539 series C preferred shares were issued in September 2020 and 11,487 Series C preferred shares, were issued in April 2021. As a result of the Subsequent 2020 Convertible Loan Agreement having converted into series C preferred shares in September 2020, its warrants expired according to their terms.

In October 2021, we entered into an amendment to the 2020 Convertible Loan Agreements whereby the two remaining CLA Lenders under such 2020 Convertible Loan Agreements agreed to amend the 2020 Convertible Loan Agreements such that: (i) the maturity date was extended to July 31, 2022, (ii) the interest on the loan should be accrued and be compounded on a quarterly basis commencing August 1, 2021, (iii) repayment of the loan shall only occur upon 60 days' prior written notice by the Company to the CLA Lenders, (iv) to the extent we are unable to repay the loan by the amended maturity date, the CLA Lenders shall agree to a further extension, and (v) the amendment shall take effect from July 15, 2021.

In January 2022, the two remaining CLA Lenders agreed with the lenders under the Facility Agreement that the rights of the CLA Lenders are subordinated in favor of the lenders under the Facility Agreement, including not having any rights to receive or to demand any amounts payable to them under the 2020 Convertible Loan Agreements (other than conversion into shares) until the obligations under the Facility Agreement have been discharged in full.

In July 2022, the 2020 Convertible Loan Agreement and the accompanying warrants were further amended in order to extend the term of the underlying loan, or the July 2022 CLA Amendment. Under the July 2022 CLA Amendment, the final date for repayment was amended and extended for an additional twelve (12) months to July 31, 2023. In addition, as of August 1, 2022, the interest was amended to reflect a net interest rate of twelve percent (12%) per annum, compounded on a quarterly basis, which shall be due and payable upon either repayment or conversion of the loan in accordance with the terms of the 2020 Convertible Loan Agreement, by way of the conversion of the interest into our series C preferred shares at a price per share equal to $10.72, or repayment of the interest, as shall be determined by the CLA Lenders. The July 2022 CLA Amendment further provides a mandatory conversion of the Loan Amount into our series C preferred shares immediately prior, and subject to, the closing of an IPO or SPAC Transaction (as defined in our amended and restated articles of association immediately in effect prior to this offering). Upon the consummation of this offering, we expect to issue 322,478 ordinary shares upon the conversion of the principal and interest of the 2020 Convertible Loan Agreement, based upon an assumed

initial public offering price of $18.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus. Under the July 2022 CLA Amendment, the exercise period under the accompanying warrants was amended to a period commencing on the date of the July 2022 CLA Amendment and ending on the earlier of (i) the second anniversary of the repayment of the Loan Amount or the conversion thereof in accordance with the terms of the 2020 Convertible Loan Agreement (whichever occurs first); and (ii) immediately prior to, and subject to the closing of, an IPO or a SPAC Transaction (as defined in our amended and restated articles of association immediately in effect prior to this offering). In connection with the July 2022 CLA Amendment, each CLA Lender received additional warrants to purchase our series D preferred shares in an amount equal to eighteen percent (18%) of the total outstanding amount under the 2020 Convertible Loan Agreement as of July 31, 2022, equal to an aggregate of 17,103 series D preferred shares, exercisable at a price per share equal to $31.08. The additional warrants are exercisable until the earlier of (i) the closing of an IPO or a SPAC Transaction (as defined in our amended and restated articles of association immediately in effect prior to this offering) or (ii) the 10th anniversary of the repayment of the Loan Amount or conversion thereof.

As of March 31, 2024, the remaining balance of the 2020 Convertible Loan Agreements (including the accrued interest) is convertible into 322,473 series C preferred shares.

In March 2023, we entered into an additional convertible loan agreement, or the 2023 Convertible Loan Agreement, with several lenders pursuant to which the lenders loaned us a sum of $38.9 million. The 2023 Convertible Loan Agreement was issued with warrants to purchase shares of the most senior class of our shares existing immediately prior to the exercise of such warrant and bear 12% annual interest, which shall be due and payable upon repayment or upon the conversion of the lender's loan amount into a number of shares, or the 2023 CLA Shares, upon the occurrence of the following events: (i) an IPO (as defined in the 2023 Convertible Loan Agreement), (ii) a Deemed Liquidation (as defined in the 2023 Convertible Loan Agreement), (iii) a Qualified Financing (as defined in the 2023 Convertible Loan Agreement), (iv) an optional conversion, including in the event of a repayment of the loan amount, at the lender's election or (v) at the lender's election if not earlier converted prior to the third anniversary of the disbursement date of the loan proceeds with respect to such lender. The 2023 CLA Shares shall be a newly created series of our preferred equity having such rights and privileges as our then most recently authorized series of preferred equity with the additional rights as set forth in the 2023 Convertible Loan Agreement.

In July 2023, we entered into a further amendment to the outstanding 2020 Convertible Loan Agreements and the accompanying warrants, which we refer to as the CLA Amendment, such that: (i) as of August 1, 2023, the interest was amended to reflect a net interest rate of 12% per annum, compounded on a yearly basis, with the total interest not being less than 24%, and (ii) the loan under the 2020 Convertible Loan Agreements is subject to a mandatory conversion into our most senior class of security, upon and subject to, the closing of an IPO or SPAC Transaction (as defined in our amended and restated articles of association immediately in effect prior to this offering). Upon the consummation of this offering, we expect to issue 3,559,695 ordinary shares upon the conversion of the principal and interest of the 2023 Convertible Loan Agreement, based upon an assumed initial public offering price of $18.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus.

In March 2024, we entered into an amendment to the 2023 Convertible Loan Agreement pursuant to which the maximum loan amount was raised to $40,000,000 and the Board was given authority under certain circumstances to determine that certain lenders qualify as Significant Lenders and/or Overallotment Lenders (as such terms are defined in the 2023 Convertible Loan Agreement and the warrants issued thereunder).

OIC 2024 Note Purchase Agreement

In January 2024, we entered into a note purchase agreement, or the 2024 Note Purchase Agreement, with Vision Lite, as the issuer, Gauzy Ltd., Gauzy USA, Inc. and Gauzy GmbH, as the guarantors and OIC Growth Fund I, L.P., OIC Growth Fund I PV, L.P., OIC Growth Fund I AUS, L.P. and OIC Growth Fund I GPFA, L.P., as purchasers, or the 2024 Note Purchasers, and OIC Investment Agent, LLC as administrative agent and collateral agent.

Under the 2024 Note Purchase Agreement, the 2024 Note Purchasers extended financing to Vision Lite in the principal amount of $23.5 million, which was utilized and drawn down in full by way of issuance and sale of senior secured notes, or the 2024 Notes, by Vision Lite to the 2024 Note Purchasers. In connection with the closing of the 2024 Note Purchase Agreement, we repaid the amounts owed under the Facility Agreement, other than with respect to certain amounts under the "phantom warrant." See "*Management's Discussion and Analysis of Financial*

Condition — Liquidity and Capital Resources — Indebtedness — Credit Facility." In addition, in January 2024, we amended the 2024 Note Purchase Agreement, or the 2024 NPA Amendment, pursuant to which the 2024 Note Purchasers made available to us an additional commitment in the principal amount of up to $2.5 million that may be utilized and drawn down by way of issuance and sale of additional senior secured notes by Vision Lite to the 2024 Note Purchasers. In April 2024, the $2.5 million additional commitment under the 2024 Note Purchase Agreement (as amended by the 2024 NPA Amendment) has been utilized by way of issuance and sale of additional 2024 Notes.

In addition, under the 2024 Note Purchase Agreement, the 2024 Note Purchasers extended a commitment to purchase additional notes in an amount of up to $15.0 million (which commitment will be reduced on a dollar-for-dollar basis by any amounts invested by the 2024 Note Purchasers in our equity securities, including in an initial public offering, or the Second Tranche Notes). This commitment may be exercised following the consummation of an Eligible IPO, defined in the 2024 Note Purchase Agreement as an initial public offering that (a) is deemed to be a Qualified IPO (as defined in our Articles of Association as either (i) an IPO yielding net proceeds to us of at least $50,000,000 and reflecting a pre-money valuation as our board of directors shall approve or (ii) a SPAC transaction in which the combined company's net cash position after the merger is increased by at least $50,000,000 (including the funds from the SPAC entity and/or a concurrent PIPE investment), and which reflects a pre-money valuation as our board of directors shall approve) and (b) is completed within 12months from the closing date of the 2024 Note Purchase Agreement, with gross proceeds of at least $60 million (excluding any shares as may be purchased by any 2024 Note Purchaser (or their affiliates) in such initial public offering). The Second Tranche Notes will be convertible at our discretion into our ordinary shares at a conversion price equal to (i) during the first 90 days after the closing of the Eligible IPO, the price per share in the Eligible IPO, and (ii) thereafter, the 30-day volume weighted average trading price of our ordinary shares. We will, subject to applicable law, provide the 2024 Note Purchasers notice prior to the expected pricing date of an Eligible IPO, and if an Eligible IPO does not occur within a prescribed period following such notice, then the 2024 Note Purchasers will be entitled to require that Vision Lite issue the Second Tranche Notes, and those notes will be repaid within three months after their issuance (or a later date approved by the 2024 Note Purchasers).

The 2024 Notes bear annual interest, payable quarterly, and are due on November8, 2028, provided that 2024 Notes may be subject to partial prepayment following the date the annual financial statements of the Company are due to be delivered in accordance with the 2024 Note Purchase Agreement, in an amount equal to 25% of the excess cash flow calculated in accordance with the terms of the 2024 Note Purchase Agreement. Subject to certain conditions specified therein, the 2024 Notes may be voluntarily prepaid at any time.

Amounts owing under the 2024 Note Purchase Agreement, including the principal, interest and fees payable on any issued 2024 Notes, are secured by first-ranking liens on our and certain of our subsidiaries' assets.

In connection with the 2024 Note Purchase Agreement and the 2024 NPA Amendment, we issued to the 2024 Note Purchasers warrants, or the 2024 Note Purchaser Warrants, to purchase up to 682,282 series D-5 preferred shares of the Company (and from and after this offering, such number of ordinary shares of the Company that the aforementioned number of Preferred D-5 Shares would have converted into upon the consummation of this offering if issued prior to this offering). Under certain circumstances upon the completion of this offering, the number of ordinary shares of the Company issuable under the 2024 Note Purchaser Warrants may be increased by up to 137,040 ordinary shares. The 2024 Note Purchaser Warrants are exercisable until November 8, 2028 at a price per share equal to: (a) the price per share issued in the initial underwritten public offering of the Company's shares, if completed on or prior to March 31, 2024, or otherwise, (b) the price of a Preferred D-5 share as determined by the latest 409A valuation of us completed between April 1, 2024 and June 30, 2024.

November 2023 Note Purchase Agreement

In November 2023, we entered into a note purchase agreement, or the Note Purchase Agreement, with Vision Lite, as the issuer, Gauzy Ltd., Gauzy USA Inc. and Gauzy GmbH, as the guarantors and Chutzpah Holdings Ltd., or the 2023 Note Purchaser, as purchaser, administrative agent and collateral agent. Under the Note Purchase Agreement, the 2023 Note Purchaser extended a credit facility to Vision Lite in an aggregate principal amount of $60.0 million, or the Commitment, that may be utilized and drawn down by way of issuance and sale of senior secured notes, or the 2023 Notes, by an issuer to the Note Purchaser. As of the date of this prospectus, Vision Lite is the sole issuer, although Vision Lite may designate additional issuers pursuant to the Note Purchase Agreement. As of the date of this prospectus, $25.0 million of the Commitment has been utilized and drawn down.

The principal amount of 2023 Notes issued to the 2023 Note Purchaser under the Note Purchase Agreement bears interest of 16.0% per annum, or the Interest Rate, payable by the relevant 2023 Notes issuer quarterly starting March 31, 2024. In addition, a commitment fee of 5.0% per annum is payable by the 2023 Notes issuer (or issuers in the event that we designate additional issuers pursuant to the Note Purchase Agreement) on the unutilized amount of the Commitment.

The 2023 Notes are due to be payable in full on November8, 2028, provided that the Note Purchaser may call the prepayment of any issued 2023 Notes following the consummation of our initial public offering upon 30-days' notice.

Upon repayment or prepayment of any 2023 Notes, the issuer of such 2023 Notes shall pay the Note Purchaser an exit fee equal to (A) the product of (i) the principal amount of the 2023 Notes being repaid or prepaid, multiplied by (ii) 4.0%, plus (B) an amount equal to the Interest Rate accruing on the amount calculated under (A) during a period from and including the date on which such 2023 Notes were issued and settled to but excluding the date of repayment or prepayment thereof. In addition, the 2023 Note Purchaser is entitled, upon the final repayment or prepayment of the 2023 Notes (including following acceleration of the amounts outstanding under the 2023 Notes and repayment by way of conversion), to payment of a make-whole amount equal to the positive difference (if any) of (i) the product of (A) the aggregate principal amount of the 2023 Notes multiplied by (B) the Minimum Return less (ii) the sum of (A) the aggregate principal amount of the 2023 Notes plus (B) the aggregate amount of interest on such prepaid principal amount paid or to be paid in cash or in kind to the 2023 Note Purchaser on the aggregate principal amount of the 2023 Notes on or prior to the date of such repayment or prepayment, plus (C) the amount of commitment fees paid or to be paid in cash to the 2023 Note Purchaser on or prior to the date of such repayment or prepayment, plus (D) the amount of Exit Fee paid or to be paid in cash to the 2023 Note Purchaser on or prior to the date of such repayment or prepayment. For the purposes hereof, (i) Minimum Return means an amount (if any) necessary for the 2023 Note Purchasers to achieve a 1.50 to 1.00 return on the aggregate original principal amount of all 2023 Notes issued and (ii) Exit Fee means (A) the product of (i) the principal amount of the 2023 Notes being repaid or prepaid, multiplied by (ii) four percent, plus (B) an amount equal to the interest rate accruing on the amount calculated under (A) during a period from and including the closing date on which such 2023 Notes were issued to but excluding the date of repayment or prepayment thereof.

At the 2023 Note Purchaser's discretion, up to $20.0million of the outstanding principal amount of the issued 2023 Notes may be converted following our initial public offering into our publicly traded ordinary shares. On May 28, 2024, we amended the 2023 Note Purchase Agreement to amend the conversion price. As amended, the conversion shall be effected at a price equal to the public offering price of our ordinary shares in our initial public offering multiplied by 80%, or the Conversion Percentage, provided that if an initial public offering has not occurred by November 8, 2024, the Conversion Percentage shall decrease by 5% and by an additional 5% every six months from and after November 8, 2024 and until such time the Conversion Percentage will be equal to 50%. For example, based upon an assumed initial public offering price of $18.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, the conversion price would be $14.40.

The amounts owing under the Note Purchase Agreement, including the principal, interest and fees payable on any issued 2023 Notes, are secured by liens on the assets of Vision Lite, including a pledge of 100% of the equity interests in Gauzy SAS, and liens on all of our assets (including intellectual property), including a pledge of 100% of the equity interests in Vision Lite, Gauzy USA Inc. and Gauzy GmbH, which liens are second ranking and subject to the first ranking liens granted to the 2024 Note Purchasers and the obligations under the Note Purchase Agreement shall be junior and subordinated to the obligations under the 2024 Note Purchase Agreement.

In connection with the Note Purchase Agreement, we entered into (i) a debenture pursuant to which we granted, as security for amounts owing by us under the Note Purchase Agreement and any guarantee, a second ranking floating charge, over all of our rights and property currently existing and/or to be existing in the future and a second ranking fixed charge, over, inter alia, our authorized share capital and our reputation, rights under a certain shareholder loan agreement between us and Vision Lite, our fixed assets, our intellectual property, and shares held by us in certain subsidiaries; (ii) pledge agreements, pursuant to which we granted the 2023 Note Purchaser a second ranking pledge and security interest over the shares we hold in Vision Lite and over receivables owed to us by Vision Lite; and (iii) a pledge agreement, pursuant to which we granted to the 2023 Note Purchaser a second ranking pledge and security interest over the shares we hold in Gauzy GmbH. The security that we and Vision Lite granted to the 2023 Note Purchaser under the debenture and the various pledge agreements was junior and subordinate to the security that we and Vision Lite granted to the lenders under the Facility Agreement.

In connection with the Note Purchase Agreement, we issued (i) warrants to purchase up to 686,401 series D-5 preferred shares, or the D-5 Warrants, and (ii) warrants to purchase up to 274,559 series D-6 preferred shares, or the D-6 Warrants. The D-5 Warrants and the D-6 Warrants are exercisable until November 8, 2028. The D-5 Warrants and the D-6 Warrants will be exercisable into ordinary shares, following the closing of this offering, if not exercised prior to the closing of this offering (and the number of ordinary shares of the Company into which the D-5 Warrants and D-6 Warrants are exercisable, respectively, following this offering shall be the number of ordinary shares into which such Preferred D-5 shares and Preferred D-6 shares, respectively, would have converted had they been converted prior to this offering). The D-5 Warrants and the D-6 Warrants vest on a daily basis, such that each day from the date of their issuance the number of shares that may be purchased thereunder equals the product of (i) the maximum number of shares exercisable under the applicable warrant and (ii) a fraction, the numerator of which is the aggregate principal amount of the 2023 Notes issued to the 2023 Note Purchaser pursuant to the Note Purchase Agreement, and the denominator of which is $60,000,000. The D-5 Warrants are exercisable at a price per share, or the D-5 Exercise Price, equal to: (a) the price per share issued in this offering, if this offering is completed on or prior to March 31, 2024, or otherwise, (b) the price of a series D-5 preferred share as implied by the latest 409A valuation of us or by a valuation of our shares by an independent third-party appraiser appointed by us. The D-6 Warrants are exercisable at a price per share equal to the D-5 Exercise Price multiplied by 1.2.

The 2023 Note Purchaser was also granted the right to appoint one non-voting observer to the Board, until repayment of the 2023 Notes. Under the Note Purchase Agreement, we and our subsidiaries are subject to various negative and affirmative covenants, which include, among others, the following: (i) limitations on incurrence of additional financial indebtedness and granting of liens (subject to certain permitted incurrences of indebtedness); (ii) limitations on investments in, and formation or acquisition of, additional entities or joint ventures; (iii) limitations on the conduct of any material activities other than those related to the development, manufacture and marketing of vision and light control technologies or incidental thereto; (iv) we are required to maintain at all times a cash balance of at least $1.5 million; and (v) additional limitations on payments to shareholders of dividends or any indebtedness, and other limitations on change in control as specified in the Note Purchase Agreement. In addition, the Note Purchase Agreement contains events of default customary in such transactions, including non-payment, breach of covenants, breach of representations, bankruptcy, insolvency proceedings and creditors' process, or occurrence of a material adverse event. In some events, default is subject to grace or cure periods prescribed by the Note Purchase Agreement.

Credit Facility

On January 19, 2022, we entered into a facility agreement with certain credit funds for a loan facility in the aggregate amount of up to $30 million, or the Facility and the Facility Agreement, respectively. Subsequent to entering into the Facility Agreement, on January 26, 2022, we drew down an amount of $20 million, or the First Loan, which was used to repay our bank loans with an Israeli bank, and towards the acquisition of Vision Lite.

The Facility Agreement was amended by a First Amendment on April 25, 2022, under which Vision Lite acceded to the Facility Agreement as an additional borrower, and assumed 25% of the first loan ($5 million) and 25% of the unutilized amount of the Facility ($2.5 million), against repayment of a corresponding amount owed by it to us under inter-company loans. The Facility was thereafter fully utilized on April 25, 2022 by the drawdown of loans by each of the Company and Vision Lite (aggregated into a loan in an amount of $22.5 million (75%) owed by us, and a loan in an amount of $7.5 million owed by Vision Lite (25%)), or the Facility Loans.

The credit funds also received a "phantom warrant" under the terms of the Facility Agreement which entitles them to a cash payment (allocated proportionately among the Company (75%) and Vision Lite (25%)) equal, in the aggregate, to the higher of (i) $3 million, or the Cash Payment; or (ii) the difference between the price per share (PPS) of a series D preferred share in an "Exit Event" (based on our valuation, as reflected in the terms of the Exit Event as defined below), and the preferred D shares PPS of $31.08, multiplied by 172,624 series D preferred shares (or such number of ordinary shares into which such shares shall have been converted, on or prior to such Exit Event, in accordance with their terms).

Notwithstanding the foregoing, if the Exit Event which triggers the payment under the "phantom warrant" is the transfer of less than 50% of the share capital of us, then the credit funds shall only be entitled to a portion of the phantom warrant payment; and the remaining portion shall be reserved and remain subject to the provisions of the "phantom warrant."

An "Exit Event" for this purpose is (a) a transfer of 25% or more of the outstanding share capital of us; (b) any transaction, or a series of transactions, where the Company transfers all, or substantially all of its business, assets and operations to any person, other than a transfer to any corporation which is controlled by the Company; (c) any transaction, or a series of transactions which results in a change of control; (d) an IPO of our shares or listing of our shares for trade on any stock exchange or regulated market (including any merger with a SPAC).

If no Exit Event (or if only an Exit Event entitling for a partial payment under the "phantom warrant") occurs until December 30, 2025, the credit funds are entitled during a period ending on December 30, 2035, on demand, to the Cash Payment under the "phantom warrant" (or the remaining portion thereof).

If the Exit Event is an IPO or a transaction in which our shareholders receive consideration in the form of shares of another entity, the credit funds are entitled to elect to receive the payment under the "phantom warrant" in listed shares of us or the shares of such other entity, as applicable, in lieu of a cash payment (and as discharge of the "phantom warrant").

On July 3, 2023, we entered into a waiver and amendment agreement to the Facility Agreement, or the Waiver and Amendment Agreement, pursuant to which our repayment obligations were amended such that the repayment date for certain principal amounts occurring on June 30, 2023 in accordance with the Facility Agreement were to be postponed and repaid on September 30, 2023, or the Postponed Amounts, with the interest payments continuing to be repaid in accordance with the original payment schedule on the original repayment date pursuant to the Facility Agreement. The Postponed Amounts bear an additional interest at a rate of 2% per annum until repayment, which were due on September 30, 2023. Pursuant to the Waiver and Amendment Agreement, commencing July 1, 2023, the interest rate of the Facility Loans was increased at a rate of 1% per annum. Under the Waiver and Amendment Agreement, the credit funds were granted a right, upon full repayment of the Facility Loans, to demand payment of up to 50% of the "phantom warrant." Under the Waiver and Amendment Agreement, were undertook to deliver to the credit funds, no later than July 31, 2023, commitments of investors to invest $10.0 million in the Company no later than September 30, 2023.

On October 5, 2023, we entered into another waiver and amendment agreement with respect to the Facility Agreement, under which it was agreed that our payment obligations under the Facility Agreement due on or prior to September 30, 2023 may be postponed until November2, 2023, in consideration for payment of a waiver fee in a total amount of $1.5 million. We paid the waiver fee on November11, 2023 along with the amount that was initially due on November 2, 2023.

On January 29, 2024, the parties to the Facility Agreement entered into a payoff and full satisfaction of secured obligations letter, or the Payoff Letter. Under the terms of the Payoff Letter, all amounts payable to the credit funds have been repaid to the credit funds, other than 50% of the "phantom warrant," which remains payable pursuant to the provisions of the Facility Agreement. Upon the consummation of this offering, the parties to the Facility Agreement, will be entitled to receive, at their election, either $1.5 million or 83,333 ordinary shares, based upon an assumed initial public offering price of $18.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus.

Paycheck Protection Program Loan

We applied for loans being administered by the Small Business Administration under the Coronavirus Aid, Relief, and Economic Recovery Act of 2020, or the CARES Act, to assist in maintaining payroll and operations through the period impacted by the COVID-19 pandemic. In May 2020, we received a $0.1 million loan from the U.S. Federal Government under the Paycheck Protection Program, or PPP. We applied for and were granted loan forgiveness in June 2022 by utilizing the funds in accordance with defined loan forgiveness guidance issued by the government. In addition, in May 2020, we entered into a bank loan in the amount of $0.5 million under an Israeli government established state-guaranteed loan plan for the financial support of businesses following the outbreak of the COVID-19 pandemic. The loan has a maturity date of May 20, 2025 and bears annual interest of prime plus 1.5% that is payable by us beginning from the second year of the loan, which has commenced as of the date of this prospectus.

Cash Flows

Three Months Ended March 31, 2024 Compared to Three Months March 31, 2023

The table below shows a summary of our cash flows for the periods indicated:

	Three Months Ended March 31,	
	2023	**2024**
(in thousands of USD)	**(USD)**	
Cash at beginning of the period	4,696	4,705
Net cash used in operating activities	(3,993)	(6,938)
Net cash used in investing activities	(1,423)	(1,420)
Net cash provided by financing activities	7,288	6,247
Net increase (decrease) in cash and cash equivalents	1,872	(2,111)
Translation adjustments on cash and cash equivalents and restricted cash	29	(47)
Cash at the end of the period	6,597	2,547

Net cash used in operating activities

Net cash used in operating activities increased by approximately $2.9 million, or 73.8%, to approximately $6.9 million for the three months ended March 31, 2024, compared to $3.9 million for the three months ended March 31, 2023. This increase was mainly due to a decrease of $5.3 million in the loss for the period, an increase of $1.7 million in share based compensation expenses, offset by a decrease of $8.9 million in non-cash financial expenses and by a decrease of $0.9 million in loss from changes in restricted trading marketable securities.

Net cash used in investing activities

Net cash used in investing activities decreased by 0.2%, to approximately $1.420 million for the three months ended March 31, 2024, compared to approximately $1.423 million for the three months ended March 31, 2023. This decrease was mainly due to purchases of property, plant, and equipment.

Net cash used in financing activities

Net cash provided by financing activities decreased by $1.0 million, or 14.3%, to approximately $6.2 million for the three months ended March 31, 2024, compared to $7.3 million for the three months ended March 31, 2023. This decrease was mainly due to a decrease of proceeds from the issuance of redeemable convertible preferred shares in the amount of $1.3 million, a decrease in proceeds from the issuance of convertible loan agreement in the amount of $2.0 million, settlement of phantom warrants in the amount of $1.5 million, offset by an increase in net proceeds from long-term debt in the amount of $2.6 million and change in factoring loans in the amount of $1.0 million.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

The table below shows a summary of our cash flows for the periods indicated:

	Year Ended December 31,	
	2022	**2023**
(in thousands of USD)	**(USD)**	
Cash and cash equivalents and restricted cash at beginning of the period	1,861	4,696
Net cash used in operating activities	(29,755)	(31,115)
Net cash used in investing activities	(39,486)	(10,623)
Net cash provided by financing activities	71,607	41,689
Net increase in cash and cash equivalents and restricted cash	2,366	(49)
Translation adjustments on cash and cash equivalents and restricted cash	469	58
Cash at the end of the period	4,696	4,705

Net cash used in operating activities

Net cash used in operating activities increased by approximately $1.36 million, or 4.6%, to approximately $31.1 million for the year ended December 31, 2023, compared to approximately $29.8 million for the year ended December 31, 2022. This increase was mainly from an increase of $41.4 million in the loss for the year, offset by increase of 33.8 million in non-cash financial expenses net of revaluation of contingent consideration due to the acquisition of Vision Lite, an increase of $4.0 million in employee relayed obligations and an increase of $2.3 million in net working capital.

Net cash used in investing activities

Net cash used in investing activities decreased by $28.9 million or 73.1%, to approximately $10.6 million for the year ended December 31, 2023, compared to $39.5 million for the year ended December 31, 2022. This decrease was mainly due to the acquisition of Vision Lite in the amount of $36.2 million in 2022, off-set by an increase of $2.3 million from purchases of property, plant and equipment, and an increase of $4.5 million related to the REC Agreement (as defined below) and the acquisition of Resonac's full SPD IP portfolio.

Net cash provided by financing activities

Net cash provided by financing activities decreased by $29.9 million, or 41.8%, to approximately $41.7 million for the year ended December 31, 2023, compared to $71.6 million for the year ended December 31, 2022. This decrease was mainly due to a decrease of proceeds from the issuance of redeemable convertible preferred shares in the amount of $44.0 million and a decrease in net proceeds from long-term debt in the amount of $15.2 million (relating to the Facility Loans and the 2023 Note Purchase Agreement), off-set by an increase in proceeds from the issuance of convertible loans in the amount of $27.2 million and a decrease in payment with respect to bank borrowings in the amount of $4.5 million.

Critical Accounting Policies

We prepare our consolidated financial statements in accordance with U.S. GAAP. The preparation of these consolidated financial statements requires us to make estimates, assumptions and judgments that can significantly impact the amounts we report as assets, liabilities, revenue, costs and expenses and the related disclosures. We base our estimates on historical experience and other assumptions that we believe are reasonable under the circumstances. Our actual results could differ significantly from these estimates under different assumptions and conditions.

While our significant accounting policies are described in more detail in the notes to our consolidated financial statements appearing elsewhere in this prospectus, we believe the following accounting policies used in the preparation of our consolidated financial statements require the most significant judgments and estimates. Please see Note 2 to our consolidated financial statements appearing elsewhere in this prospectus for additional information.

Share-Based Compensation

We recognize the cost of share-based awards granted to employees and directors based on the estimated grant-date fair value of the awards. We elected to recognize share-based compensation costs on a straight-line method for awards. Forfeitures are accounted for as they occur. The fair value of each option award is estimated on the grant date using the Black-Scholes option pricing model. The application of the Black-Scholes model utilizes significant assumptions, including the underlying share price (see the section titled "*Convertible Instruments*" below) and volatility. Significant judgment is required in determining the expected volatility of our ordinary shares. Due to lack of tradability of our ordinary shares, we determined expected volatility based on a peer group of publicly traded companies. Increases (decreases) in the assumptions result in a directionally similar impact to the fair value of the option award.

Convertible Instruments

Financial instruments convertible to preferred shares are recorded as liabilities measured at their fair value and remeasured on each reporting date with changes in estimated fair value in the consolidated statement of operations and comprehensive loss.

The critical accounting estimates for the valuation of these instruments were (a) fair value of the underlying preferred shares and (b) volatility-based on peer companies' volatility. The fair value of our preferred shares was determined based on various objective and subjective factors. These factors included, but were not limited to: (i) contemporaneous third-party valuations of ordinary shares which indicated the rights, preferences, and privileges of preferred shares relative to ordinary shares including a waterfall allocation which depicted fair value of ordinary shares and preferred shares; (ii) recent preferred share financing rounds, and (iii) the likelihood of an IPO scenario or liquidation events.

Goodwill Impairment

We perform an impairment test annually and whenever events or changes in circumstances indicate that the carrying amount of a reporting unit may not be recoverable. When tested for impairment, we estimate the fair values of our reporting units using a discounted cash flow model which utilizes Level 3 unobservable inputs. Key estimates include revenue growth rates and operating margins, terminal growth rates and discount rates. The discount rate used is based on the weighted average cost of capital (WACC), adjusted for the relevant risk associated with the country-and business-specific characteristics of each reporting unit. See note 8 to our consolidated financial statements included elsewhere in this prospectus for further details on the goodwill impairment test in 2023.

Quantitative and Qualitative Disclosures About Market Risk

We are exposed to a variety of financial risks, which result from our financing, operating and investing activities. The objective of financial risk management is to contain, where appropriate, exposures in these financial risks to limit any negative impact on our financial performance and position. Our main financial instruments are our cash and other receivables, trade and other payables. The main purpose of these financial instruments is to raise finance for our operations. We actively measure, monitor and manage our financial risk exposures by various functions pursuant to the segregation of duties and principals. The risks arising from our financial instruments are mainly credit risk and currency risk. The risk management policies employed by us to manage these risks are discussed below.

Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the balance sheet date. We closely monitor the activities of our counterparties and control access to our intellectual property which enables us to ensure the prompt collection. Our main financial assets are cash as well as trade receivables and other receivables and represent our maximum exposure to credit risk in connection with our financial assets. Wherever possible and commercially practical, we hold cash with major financial institutions in Israel.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not our functional currency. We are exposed to foreign exchange risk arising from currency exposure primarily with respect to the NIS, as the majority of our expenses are denominated in NIS. As most of our revenues are USD derived, the USD is our functional currency. Our policy is not to enter into any currency hedging transactions.

Liquidity risks

Liquidity risk is the risk that arises when the maturity of assets and the maturity of liabilities do not match. An unmatched position potentially enhances profitability, but it can also increase the risk of loss. We have procedures to minimize such loss by maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities. As of December 31, 2023 and March 31, 2024, we had accumulated losses of approximately $171.8 million and $185.1 million, respectively.

Emerging Growth Company Status

We qualify as an "emerging growth company" as defined in the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other burdens that are otherwise applicable generally to public companies. These provisions include:

- a requirement to present only two years of audited financial statements in addition to any required interim financial statements and correspondingly reduced Management's Discussion and Analysis of Financial Condition and Results of Operations disclosure;
- to the extent that we no longer qualify as a foreign private issuer, (i) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and (ii) exemptions from the requirement to hold a non-binding advisory vote on executive compensation, including golden parachute compensation;
- an exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002; and
- an exemption from compliance with the requirement that the Public Company Accounting Oversight Board has adopted regarding a supplement to the auditor's report providing additional information about the audit and the financial statements.

BUSINESS

Our Company

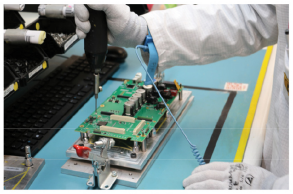
We are a fully-integrated light and vision control company, transforming the way we experience our everyday environments. Our cutting-edge nanotechnology and electronics capabilities in light control, and our mechatronics and image analysis technologies in vision control, are revolutionizing mobility and architectural end-markets. We have established distinct leadership positions across these large and high-growth markets, where our technologies are replacing traditional mechanical products, such as shades, blinds and mirrors, with advanced and sustainable solutions offering superior functionality. Our key products include suspended particle device, or SPD, and liquid crystal, or LC, films for smart glass applications, as well as camera monitoring systems, or CMS, and other advanced driver assistance systems, or ADAS, solutions. We have established serial production capabilities, either directly or through sub-contracts, with leading aerospace, automotive and architecture companies including Boeing, Honda, Mercedes, Ford, BMW, and Avery Dennison. We benefit from both secular and regulatory tailwinds that are driving the rapid adoption of light and vision control technologies. In addition to our core markets, we believe that our products may have a multitude of tangible applications in other areas such as railway, maritime, specialty vehicle, private security and consumer appliances.

We aim to deliver a full suite of proprietary technologies that offer superior performance attributes by leveraging our differentiated technical capabilities and market insights, a competitive advantage we maintain through our core research and development and innovation organization. We have a comprehensive product offering with multiple complementary light and vision control technologies, enabling us to provide a full range of solutions for light and vision control across diverse markets, applications and geographies. Our vertically integrated in-house production capabilities enable us to offer our products at various stages in the supply chain based on the specific business needs of our customers. For example, we have the capability to simultaneously sell films to glass fabricators, prefabricated stacks to Tier 1 glass manufacturers and, in certain instances, full window systems to original equipment manufacturers, or OEMs.


Molecular Synthesis


Film Manufacturing


Lamination for full dimmable windows


Electronics & Software


Mechatronics


ADAS/CMS Image Analysis

In light control, our product offerings include smart glass and films that switch from transparent to opaque, controllable dimmable shading, and transparent displays for digital signage and communication. Our light control products allow the user to regulate privacy, solar heat gain, and UV protection. In vision control, we are a leading

Tier 1 supplier of ADAS solutions for trucks, buses and coaches, designed to create a safer and more comfortable driving experience. Our unique ADAS offerings remove the need for side- and rear-view mirrors, instead providing the driver with a real-time video display and alerts to reduce blind spots and potential driving hazards.

SPD Segmented Sunroof

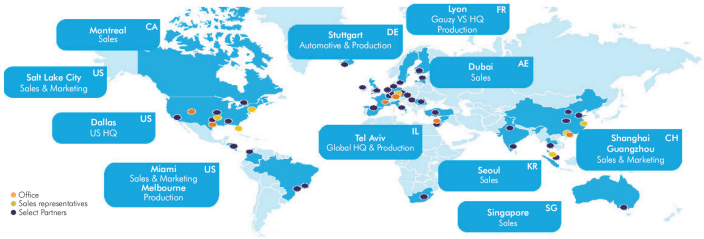
PDLC Partiton

CMS/ADAS

We enjoy close, collaborative relationships with many OEMs, Tier 1 suppliers, film processors and glass fabricators who rely on our technologies. During the product development process, we customize our solutions to ensure they meet our customers' requirements and are ultimately certified for production. In aerospace, we are a leading Tier 1 supplier for the commercial airline, business jet and helicopter segments, providing fully-manufactured smart glass and advanced shading solutions directly to our customers. We hold a leading market position in cockpit shading systems for commercial airliners and business jets. We are in serial production for cabin shades, either directly or through sub-contracts, with seven business jet OEMs, including Embraer, HondaJet, Bombardier, Gulfstream, Daher and Beechcraft. Furthermore, we have successfully leveraged the technology and mechatronics expertise we have developed as a Tier 1 aerospace supplier to provide additional differentiated products and services to the automotive and architecture markets.

In the automotive and architectural markets, we are a leading Tier 2 supplier of light control technologies. Our unique business model enables automotive and architectural glass fabricators globally to manufacture smart glass that is integrated with our films and electronics. In the automotive segment, OEMs incorporate our technology in glass rooftops, side windows and windshields to replace conventional mechanical sun visors and shades. In the architectural market, we serve all major segments including commercial, retail, residential, healthcare and hospitality for both interior and exterior applications. In the commercial vehicle segment, we are a Tier 1 supplier and one of the market leaders in vision control technologies, including CMS and ADAS systems for the truck, bus and coach market.

We are strategically located in close proximity to our customers. This geographic competitive advantage deepens local customer relationships, enhances commercial innovation, optimizes customer support, shortens supply chains and enables us to deliver our technologies quickly and efficiently around the world. As a result, the typical customer contract length is 15 to over 30 years for customers in our aeronautics segment, approximately eight years for customers in our automotive segment and five to ten years for customers in our safety tech segment. We operate production facilities in Israel, France, Germany and the United States, with sales, marketing and fulfilment centers in 15 locations throughout the globe. We sell our products in over 30 countries through both direct fulfilment and a network of expertly trained and certified distribution channels.



We serve a broad range of end-markets and geographies, enabling us to benefit from a diversified base of revenues. In 2023, we generated approximately 22.5% of our revenues in the United States, 21.7% in Europe (excluding France), 45.8% in France, 1.4% in Israel, and 4.6% in Asia, with the remaining 4.0% generated in other countries across the world. In the same period, we generated approximately 43.4% of our revenues in the aerospace market, 38.1% in safety tech and commercial vehicle market and 18.5% in the automotive and architectural market combined. We also enjoy a diverse customer base, with no single customer representing more than 9.3% and 9.7% of our revenue for the year ended December 31, 2023 and three months ended March 31, 2024, respectively.

Industry Overview and Market Potential

We operate in the light and vision control markets, and the history of our company's involvement in these markets is linked by a common focus on controlling user interaction and experience with everyday environments, specifically within mobility and architectural applications. As an example, our dimmable smart glass technologies are used to control both the amount and type of light passing through automotive rooftops. This enables an enhanced and customized mobility experience for both drivers and passengers. Similarly, our innovative CMS technology builds on our foundation of advanced mirror expertise, a form of light control, and enables a safer and more comfortable driver experience.

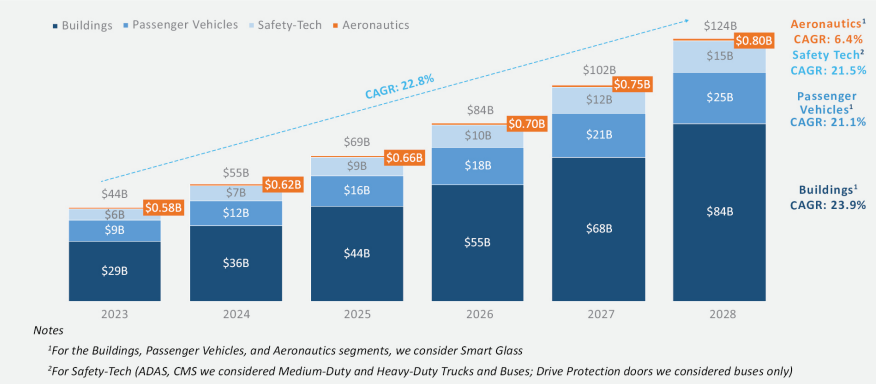
Light Control

Advanced light control technologies are transforming many industries, including architectural and mobility markets, by replacing traditional mechanical products such as standard glass windows and sun visors with smart glass solutions. These technologies create countless user benefits, including a reduction in carbon emissions and improved public safety. By actively controlling the light that is transmitted through a transparent substrate, such as glass, light control technologies give traditionally passive materials dynamic and multi-purpose functionality. By allowing a surface to appear transparent, translucent or opaque on-command, light control technologies balance the benefits of natural light with the need for privacy and energy efficiency. Light control technologies can be integrated into windows, partitions and other transparent surfaces in a wide range of end-market applications.

The market potential for integrated advanced light control products continues to grow as more material applications develop. According to a recent research report conducted by Frost and Sullivan, the global smart glass market size is expected to reach $124 billion by 2028 and to grow at a CAGR of 22.8% from 2023 to 2028, driven primarily by the architecture and mobility markets.

GLOBAL TAM: BY SEGMENT ($B)

Global TAM for Smart Glass and Safety-Tech in 2023 is expected to be around $44bn. and is expected to reach $124bn. in 2028 with CAGR of around 22.8%.



Notes

¹For the Buildings, Passenger Vehicles, and Aeronautics segments, we consider Smart Glass

²For Safety-Tech (ADAS, CMS we considered Medium-Duty and Heavy-Duty Trucks and Buses; Drive Protection doors we considered buses only)

Architectural applications are poised to represent a significant growth opportunity as light control technologies are increasingly integrated into new building construction in windows, skylights and partitions. Approximately 80% of flat glass produced globally has been historically used in building and construction applications. Adoption of smart glass in architectural applications is expected to be driven by the need for on-demand privacy and solar heat control in both new buildings and retrofits within the residential and commercial segments.

In the automotive market, we expect to continue to benefit from the increasing adoption of light control technologies in applications such as glass rooftops, side windows and windshields. In windshields for example, our technologies replace sun visors and can enhance the performance of head-up-displays, or HUDs, by controlling contrast in varying lighting conditions. We are well-established in this space and are working with many traditional and emerging OEMs and Tier 1 suppliers to incorporate our light control technologies into their products. For example, many electric vehicles on the market today feature glass panoramic rooftops without mechanical shading in order to increase head room, as the vehicles' batteries typically occupy additional space underneath the passenger compartment. Our technologies are being embedded in these rooftops by various OEMs as a preferred solution to control light and heat, also helping to save energy and extend the driving range per charge.

From a policy perspective, both the United States and the European Union are working to promote the development of environmentally sustainable technologies. For example, in August 2022, the U.S. Federal Government passed the Inflation Reduction Act of 2022, which includes provisions from the Dynamic Glass Act that extend meaningful investment tax credits to electrically-controlled variable tint materials. The passing of these provisions is expected to further accelerate the adoption of light control technologies within architectural markets. Following the passing of the Dynamic Glass Act, the American Clean Power Association released a report stating that, as of July 31, 2023, $270 billion in capital investment had been announced for utility-scale clean energy projects and manufacturing facilities, which is equivalent to eight years' worth of American clean energy investment, surpassing total investment into U.S. clean power projects commissioned between 2015 and 2022.

In the European Union, at least 30% of the NextGenerationEU Recovery Plan, which was added to the European Union's 2021-2027 long-term budget, has been earmarked for tackling climate change and supporting environmentally-friendly projects. In 2020, the European Commission also established a framework for the European Green Deal such that the European Commission has set out to make Europe climate-neutral by 2050, which also sets the intermediate target of reducing net greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels. Additionally, in October 2023, the Council of the European Union adopted the new Renewable Energy Directive to raise the share of renewable energy in the EU's overall energy consumption to 42.5% by 2030 with an additional 2.5% indicative top-up to allow the target of 45% to be achieved.

Advanced light control technologies can generally be classified into two basic types: (1) "passive" technologies, where the change in glass transparency is a reaction to ambient conditions such as heat or light in the surrounding environment, and (2) "active" technologies, which are controlled by the user when an electrical current is applied.

The two main types of passive light control technologies are photochromic and thermochromic. They are primarily based on thin film dyes whose molecular structure changes in response to a change in the level of UV radiation or heat, causing the glass to block the passage of light. Photochromic technologies are primarily used in eyeglasses and are not considered to have broader commercial applications for smart glass solutions due to their slow response time and poor functionality at the high and low ends of the temperature range. Photochromic glass also performs poorly in vehicles or other enclosed settings where existing glass blocks incoming UV light, which is required for photochromic glass to operate.

Thermochromic technologies on the other hand, have been adapted for smart glass solutions and there are a number of companies that currently offer thermochromic "smart" glass products. Thermochromic glass reacts to heat from direct sunlight, thus the more intense the sunlight, the darker the glass becomes. When the UV rays from the sun hits the surface of thermochromic glass, it is able to partially block both UV and infrared light, and depending on the position of the sun, the glass self-tints to block excessive heat when the sun is hottest (i.e., at its highest position in the sky). The main limitation of thermochromic glass is that it cannot be actively controlled and has a relatively slow response time that is directly proportional to the increase or decrease in sun or heat.

Since passive technologies cannot be controlled by the user, their application in a "smart" setting is limited. Active light control technologies, on the other hand, enable user control over the state of the glass. This control can be achieved manually or automatically via control panels, mobile phones, tablets and other smart devices and systems.

The three main types of active light control technologies, which we are most focused on, are LC technologies, SPD technologies and electrochromic technologies.

Liquid Crystal (LC) Technologies

PDLC LCG® - ON

PDLC LCG® - OFF

LC technologies, including polymer dispersed liquid crystal, or PDLC, sematic liquid crystal and cholesteric liquid crystal, are activated when an electrical current is applied to the material. This current causes the normally randomly aligned liquid crystal molecules to become oriented in such a way as to disperse light or allow light to pass through, thereby causing the material to change from opaque to transparent. This technology requires a constant power supply to maintain a transparent state. When in a powered state, the material is clear, allowing for full transparency; when unpowered, the material is completely opaque. Liquid crystal technologies in light control applications are commonly used when there is a need to control visible light for privacy, necessitating a fast response time. LC technologies can also enable glass to change the apparent color of light for an aesthetically-customizable environment.

Suspended Particle Device (SPD) Technologies

TOP: SPD Building Façade; Bottom: SPD Sunroof from ON to OFF in various dimming stages

SPD is an active light control technology in which an electromagnetic field is applied to the material in order to effect a change from opaque to transparent by realigning nanoparticles contained within a transparent medium. SPD regulates the amount of light and glare passing through a transparent aperture. The level of tint is adjustable and the SPD itself has a very wide dynamic range (i.e., SPD can block up to 99% of the total light transmission in an 'off' state). A continuous electrical current is required in order to maintain a desired transparency. SPD can be applied on a variety of surfaces including glass and other substrates such as polycarbonate. It is particularly suited in applications where there is a need for gradual light control, near to total black out shading and fail-to-dark functionality.

Electrochromic (EC) Technologies

Electrochromic, or EC, technology is an active light control technology that consists of a flat glass coat that includes multiple layers of metal oxide. The coated glass is fabricated into an insulated glass unit, or IGU, which can be tinted or cleared through the application of an electrical current. EC is used in flat glass applications, such as aircraft windows and commercial buildings.

Vision Control

Advanced vision control technologies, such as CMS and ADAS, are revolutionizing the commercial vehicle market by optimizing visibility to enhance the driver experience and improve safety. By monitoring and analyzing the spaces around trucks, buses and coaches, advanced vision control technologies eliminate blind spots and glare to offer a wider field of vision than a traditional side-view and rear-view mirror system and provide clearer images of external conditions. When advanced vision control technologies are installed as original equipment or retrofitted onto existing commercial vehicles, potential driving hazards, accidents and injuries are reduced by creating a safer environment for both the operator and other road users.

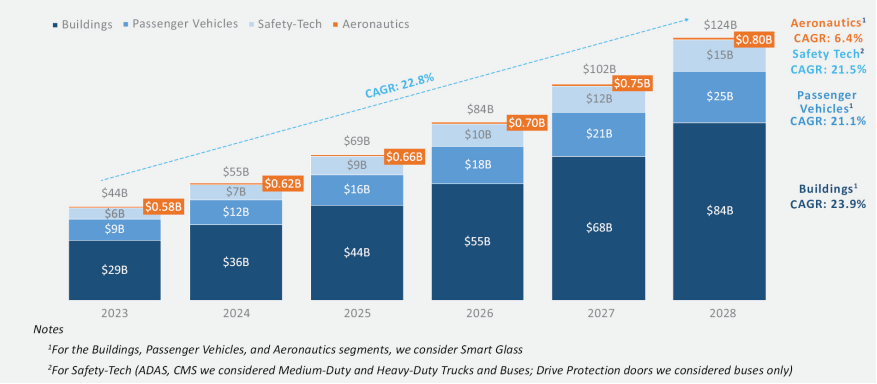
Blind spot elimination with Smart Vision CMS and BSIS+/MOIS+ ADAS

Current trends in the commercial and public transportation markets increasingly favor the adoption of advanced safety features and driver assistance technologies. This trend is being supported by operators' desire to reduce costs and improve the driver experience, as well as the accelerating adoption of regulatory frameworks to enhance public safety in the European Union and United States. The growing trend of electrification of commercial vehicles is also increasing the demand for compact camera-based vision systems. Due to the increased cost of a commercial electric vehicle, operators have a strong incentive to utilize camera-based vision systems and other driver assistance technologies to protect their fleets, reduce vehicle downtime and improve safety.

The push for safer commercial transportation is driving manufacturers to integrate new, advanced technologies into their vehicle development pipelines in order to deliver improved safety features that are only possible with CMS and ADAS technologies. For instance, the European Union is mandating new regulations that require buses, coaches and trucks to incorporate ADAS technologies and warning systems to help prevent collisions with pedestrians, cyclists and other vulnerable road users, or VRUs. According to a recent research report conducted by Frost and Sullivan, the global safety tech market, including ADAS and CMS for trucks and buses and driver protection doors for buses, is expected to reach $15 billion by 2028 and to grow at a CAGR of 21.5% from 2023 to 2028.

GLOBAL TAM: BY SEGMENT ($B)

Global TAM for Smart Glass and Safety-Tech in 2023 is expected to be around $44bn. and is expected to reach $124bn. in 2028 with CAGR of around 22.8%.



Notes

[1]For the Buildings, Passenger Vehicles, and Aeronautics segments, we consider Smart Glass

[2]For Safety-Tech (ADAS, CMS we considered Medium-Duty and Heavy-Duty Trucks and Buses; Drive Protection doors we considered buses only)

Our technologies aim to deliver important environmental and social benefits to our customers and are well-aligned with industry trends. Our products eliminate the need for mechanical mirrors and deliver critical financial benefits. For example, CMS technologies have been shown to reduce the maintenance and downtime costs related to bus accidents by 40% over an 18-month period, and can deliver improvements in fuel economy of up to 4%, as traditional wing mirrors add to aerodynamic drag. As such, operators' investments in advanced CMS systems typically carry a rapid payback period of two to three years while reducing total cost of ownership.

We believe that replacing traditional side-view mirrors with smart, adaptive cameras is a trend that will accelerate in the future. In December 2021, the City of London made the decision to aim to retrofit a majority of its public transportation fleet with CMS technologies and is currently evaluating which vehicles in the London bus fleet are suitable for retrofitting CMS. We anticipate a substantial number of the new buses in Europe will utilize ADAS technologies in the future, as we are seeing an increasing number of orders from the City of London for application on electric buses that incorporate these technologies. Additionally, in 2022, Mercedes adopted CMS technologies in their Actros model vehicle, which further supports our belief that CMS technologies will be rapidly adopted in the majority of new trucks and buses as well as retrofits in the coming years.

In addition to the OEM market for CMS and ADAS technologies, we see significant opportunity in retrofitting existing truck and bus fleets to address an increased focus on safety from operators and regulators. For example, in September 2022, we were sub-contracted to provide one of our customers with our ADAS technology pursuant to their contract with the city of Lyon, France, which is aiming to retrofit the city's bus fleet of approximately 900 buses with ADAS technologies to promote public safety. Similarly, in July 2023, we were chosen by a city in Australia to retrofit its full fleet of approximately 1,000 public buses with our ADAS technologies. These are strong indications of broader market adoption of CMS and ADAS solutions and opportunities to retrofit the installed base of existing truck and bus fleets.

Key End-Markets

We work closely with customers and industry partners to develop and commercialize integrated light and vision control technologies, and establishing strategic partnerships and customer relationships is key to our business model. We believe these partnerships will help accelerate our research and development efforts to bring cutting-edge technology to the forefront of our markets.

Automotive

As advances in automotive technology offerings continue as part of the adoption of electric vehicles, the integration of light and vision control technologies is a natural next step in the evolution of the automobile. As an example, the implementation of ADAS technologies in cars is expected to be quickly adopted. In 2020, ADAS technologies were only installed in approximately 10% of the estimated 1.05 billion cars in use around the world, but this is predicted to increase to 30% in 2025 and 50% in 2030. We will continue to benefit from the increasing adoption of light control technologies in applications such as glass rooftops, side windows and windshields. Our technologies are enabling the replacement of traditional mechanical products, such as shades, blinds and mirrors, with advanced and sustainable solutions offering superior functionality. The continuing trend toward incorporating panoramic glass panels and sunroofs in passenger cars is expected to drive smart glass demand in the automotive industry as these sought-after features become increasingly technologically feasible. Since the batteries for electric vehicles are typically placed under the floor in the center of the car, glass panoramic sunroofs are becoming an industry standard as a solution to save head room as the glass panels installed on roofs are thinner than traditional automobile roofs. Utilizing smart glass in these glass panoramic sunroofs also allows for the control of the amount of heat, light and glare.

Commercial Vehicles

In the commercial vehicle market, OEMs are developing trucks and buses replacing traditional side-view mirrors with fully-integrated CMS technology that can analyze road conditions in real time and alert the driver of hazards to better protect VRUs. Meanwhile, light control technologies will allow operators the ability to provide passengers with controllable ambience settings on bus or train rides.

Aerospace

In aerospace, we expect key OEMs to devote a significant amount of resources and capital over the next decade to updating their fleets' interiors with cabin shading technologies as a key differentiator in the marketplace. Here, we are leveraging our expertise in cockpit applications to expand our strong and growing market presence in the cabin light management market. We are also a leading provider of dimmable solutions and glazing options to commercial and private jet and helicopter OEMs. As one of the companies currently manufacturing dimmable solutions and solar protection for helicopters, we expect to expand our market share in this segment with our customizable light control solutions.

Tier-1 SPD & PDLC LCG® for Commercial and Private Aircrafts

Architecture — Exterior Applications

According to the U.S. Department of Energy, in 2021, building use in the residential and commercial sectors accounted for 39% of total U.S. energy consumption and 75% of total U.S. electricity use, most of which is being used to maintain the building's interior conditions. Integrating light control technologies into a building will help reduce energy use associated with lighting, heating and cooling by about 20%. By 2050, it is anticipated that the adoption of smart glass can eliminate 2.19 gigatons of CO_2, resulting in $321.5 billion in savings.

Architecture — Interior Spaces

In addition to lowering a building's carbon footprint, smart glass is a sophisticated interior design element that has a number of innovative functions. Coupling light control technologies with the benefits of using glass partitions balances the need for privacy with the desire to enhance and efficiently sanitize interior spaces. As an engineering solution, the use of glass as an interior partition maximizes space as glass partitions are generally thinner than standard drywall partitions, allowing architects and interior designers to fully utilize the potential of interior settings.

In certain public spaces, such as hospitals and hotels, the adoption of light control technologies in glass partitions is driven by the trend of replacing traditional blinds, shades and curtains, which are difficult to clean and can be hotbeds for contamination. The COVID-19 pandemic has reinforced the need to be able to quickly sanitize individual usage rooms while maintaining user privacy. As an added benefit, the use of glass partitions in these settings is environmentally friendly by reducing the use of linen. The application of light control technologies in glass partitions in these public settings can also upgrade the user experience. For example, a smart glass partition can automatically provide for privacy when a bathroom light is turned on.

Our Light and Vision Control Products

LCG® Products

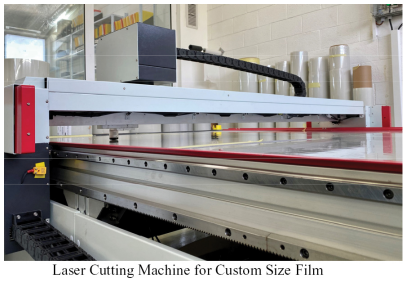
Our LCG® technologies include a variety of PDLC and SPD films, which are laminated into, or retrofitted onto, glass or other transparent materials by our trusted partners worldwide. LCG® Film is defined as a smart glass interlayer with SPD or PDLC technology coated between two pieces of PET sheets with conductive coating. We are a Tier 2 supplier of PDLC and SPD films which are available as rolls, cut-to-fit sheets or in a prelaminated stack to best accommodate a partner's process. We provide SPD or PDLC turn-key smart glass as a Tier 1 supplier in the aeronautics industry, and select opportunities in railway, marine and agricultural/construction vehicles.

PDLC Retrofit Film Installation; PDLC Film Rolls

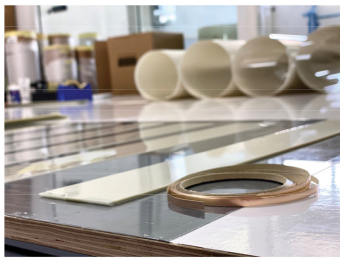
PDLC Film Lamination at Certified Partner; SPD Rolls

A roll is defined as a continuous film wrapped on a core in varying lengths and widths depending on product type. These varying widths, including 1.3, 1.5 and 1.8 meters wide, are designed to optimize a partner's yield, reducing wasted material and increasing bottom line. A cut-to-fit sheet is a PDLC or SPD film that is cut to a custom size and comes either with or without applied busbars according to a customer's unique specifications. A prelaminated stack is a PDLC or SPD film that is encapsulated in an adhesive interlayer with

complete electric preparation for a fully lamination-ready product without pre- or post-process requirements. Turn-key smart glass is a complete window or partition with laminated PDLC or SPD technology that simply requires installation.



Laser Cutting Machine for Custom Size Film



Cut-to-fit Film and Busbars

Both PDLC and SPD films are available with invisible laser-etched patterning which creates segments in films for zoned light control. Patterning capabilities include linear, curved or free-formed shapes and designs for a highly customized smart glass solution. Each technology is compatible with various glass types, coatings, lamination stacks and IGU systems to satisfy specific customer and industry requirements. Films are able to be cut into unique shapes and specially thermoformed to address 3D/multi-axis curved and bent glass.

Laser Patterned PDLC LCG® Interior Partiton

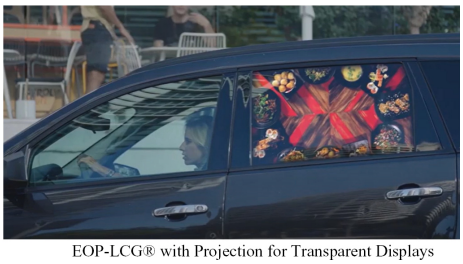
Laser Patterned SPD LCG® Windshield

All of our PDLC and SPD products are operated by our patented controllers which are able to provide increased optical, mechanical and electrical performance. Controllers include our Mini, Flex and MultiPlex controllers which each power glass in different sizes, multi-segments and with different functions, including on/off, dimming and fading.

PDLC Products

Our liquid crystal products allow glass to switch from opaque to controlled levels of transparent in less than 0.1 seconds. Our wide range of indoor-and-outdoor grade liquid crystal LCG® technologies support spaces with glass-centric designs, such as providing instant transparency for visibility and an open atmosphere or privacy, high definition transparent display when paired with projection or solar IR reflection to assist with temperature control when our Solar Performance PDLC (SP-LCG®) is selected.

SP-LCG® in exterior sliding doors

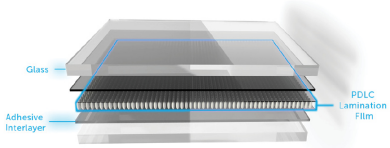


EOP-LCG® with Projection for Transparent Displays

We have two types of PDLC technologies that allow glass professionals to create LCG® smart glass for end customers: films for lamination by glass fabricators and adhesive films that are retrofitted onto existing glass by film installers. Different product lines are available in white or grey.

PDLC Lamination Films

Liquid Crystal formulation coated between two sheets of PET with conductive coating (ITO, nanosilver, etc)



Liquid Crystal film laminated between two pieces of glass with adhesive interlayer

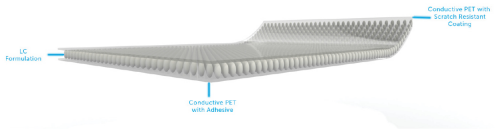
High Performance (HP-LCG®) films are designed to be used in interior architectural applications and are defined by our high optical, mechanical and electrical performance. HP-LCG® has low haze when operated at low voltage for reduced energy consumption supporting smart homes/buildings models.

ExtraClear Performance (EP-LCG®) PDLC films are fully optimized for visual performance with over 90% light transmission, making this our highest clarity film when turned on. With a unique composition, off-axis haze is reduced, making this product an ideal solution for tight corridors.

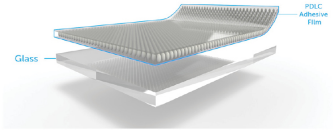
Solar Performance (SP-LCG®) blocks Solar IR light that creates heat, which makes spaces cooler, reduces HVAC requirements for increased energy efficiency and sustainability while supporting greater thermal comfort for occupants. SP-LCG® likewise mitigates glare while keeping interiors bright and ambient for visual comfort and continuous access to natural light for a greater sense of wellbeing. SP-LCG® has EOP-LCG® properties in addition to solar reflection capabilities.

Extended Outdoor Performance (EOP-LCG®) is suitable for use in extreme temperature conditions (ranging from -20°C to +90°C). EOP-LCG® offers extended durability in harsher weather conditions like humidity and prolonged light exposure, which makes it ideal for exterior glazing in automotive and architecture, and interior applications in built spaces such as saunas and refrigerators. This product is recommended when solar reflection is not required.

PDLC Adhesive Films



Liquid Crystal formulation coated between two sheets of conductive PET (ITO, nanosilver, etc) with adhesive and scratch-proof coating



Adhesive Liquid Crystal film applied to glass

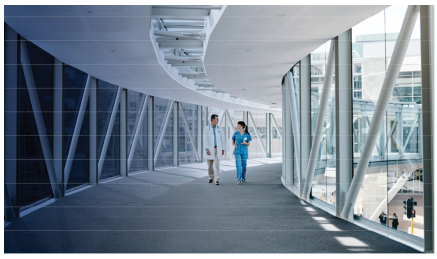
Adhesive LCG (A-LCG®) PDLC films are applied to existing glass, allowing any glass to instantly be converted into smart glass. Adhesive smart films support on-demand transparency, privacy and transparent displays when paired with projection. By retrofitting a project with A-LCG®, the function of glass is extended from the moment installation is complete, creating a spatial transformation.

Adhesive ExtraClear Performance (AEP-LCG®) PDLC films are fully optimized for visual performance with over 90% light transmission, which makes this our highest clarity film when turned on. With a unique composition, off-axis haze is reduced, making this product an ideal solution for tight corridors.

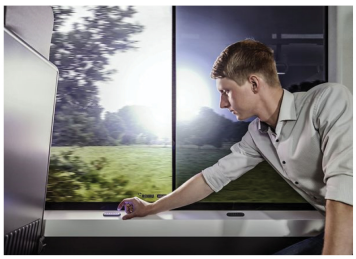
Adhesive Solar Performance (ASP-LCG®) PDLC films are ideal for improved thermal and visual comfort while also reducing HVAC cooling costs and direct glare that disrupts occupant wellbeing. By combining the ability to block IR with on-demand privacy and transparency, ASP-LCG® offers technologically advanced and sustainable projects an easy solution without necessitating a full window replacement. ASP-LCG® is optimized to perform in wide temperature ranges (-20°C to +90°C) and is most commonly specified for facades, skylights and atriums.

SPD Products

Our SPD-LCG® products block up to 99% of visible light, allowing any glass to dim instantly for dynamic shading with a view. Switching transparency in up to four seconds homogenously in all glass sizes makes this the fastest smart glass technology for shading available today. Our SPD technology is available as a film for lamination by licensed and certified partners. SPD-LCG® Smart Glass is created when SPD emulsions are coated between conductive interlayers to create films which are then laminated between two pieces of glass or polycarbonate with adhesive interlayers. SPD-LCG® can be comprised of multiple types of glass and lamination configurations and can be implemented into IGUs to best fit a customer's needs. For example, in 2021, we partnered with LG Display to develop projection smart windows that provide on-road messaging for alerts, location-based advertising and passenger entertainment.



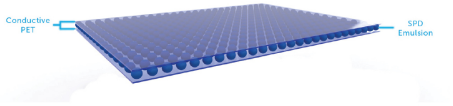
SPD-LCG® in Architectural Façade with Gradual Dimming



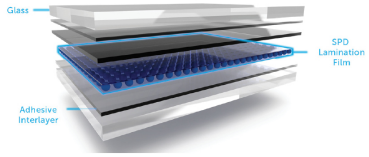
SPD-LCG® in Train Window; Left (ON), Right (OFF)

Our SPD films, which are available in architectural widths and are automotive grade, are optimized to maintain performance and durability in facades and transportation vehicles across all market segments. This technology is powered by our patented SPD controllers, which supply controlled voltage to determine the amount of visible light transmittance in on, off or when dimmed to a precise opacity level.

SPD Lamination Films



SPD emulsion coated between two sheets of conductive PET (ITO, nanosilver, etc)



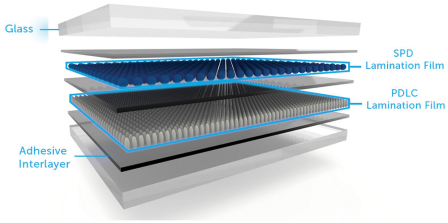
SPD Film laminated between two pieces of glass with adhesive interlayer

SPD-LCG® films are our flagship SPD technology, and the same product line currently used by industry-leading brands in the automotive, aviation, marine and railway industries. SPD-LCG® offers top optical, mechanical and electrical performance, fast switching times and precise dimming control for up to 99% light blocking.

SPD-Light is a variation of our SPD-LCG® that offers 60 – 70% light transmission instead of 50% and is ideal for products and projects where higher transparency and lower opacity are needed.

SPD-Black is currently in development by us and provides the next generation of SPD-LCG®, which expects the same trusted performance as our SPD-LCG® but with a black tint for additional color variations to meet differentiating customers' requirements.

Combination PDLC and SPD Products



SPD and PDLC Film laminated between two pieces of glass with adhesive interlayers

Our PDLC and SPD films can be laminated together into a single glass panel for a dual smart glass solution that provides all-in-one glazing to control daylight, glare and privacy, and can also be used in interior/exterior visible transparent displays when paired with projection. The two technologies can be independently controlled allowing users a completely customized experience. When the two films are laminated together, it creates a black-out solution. We are a Tier 1 supplier of laminated dual technology as a smart glass panel to the aeronautic, railway and marine industries for both new planes, trains and boats, as well as retrofits.

Acti-Vision is a product line offered as a turn-key transparent display which utilizes a combination of PDLC and SPD paired with protection to create transparent displays. When SPD and PDLC are both turned off, digital content is visible from the interior. When PDLC is turned on but SPD is off, digital content is visible from the exterior.

This complete transparent display partition or window includes a projector and a content management software and interface. This can be used to enhance the passenger experience with infotainment, or as a means for additional revenue streams when used as ad space.

Representation of Acti-Vision on a train, or projection on combination PDLC and SPD

Our Controllers

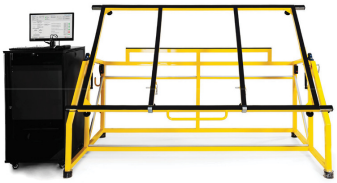
PDLC Controllers

SPD Controllers

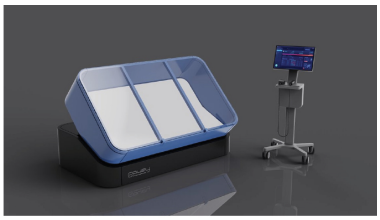
Our Mini, FLEX and MultiPlex patented controllers that drive our PDLC and SPD films each offer a unique set of features best suited for varying glass sizes, input channels and user preferences, and also allow films to reach maximum optical and electrical performance. As the only smart glass controller in the market, our hardware employs square wave signals, which allows films to stay on 24-hours a day with no burn-in effects, for reduced mean time between failure, or MTBF. Controllers also act as a protector of film from power surges ensuring longevity.

To best suit customers' control preferences for privacy, ambiance and shading, Gauzy LCG® products can be operated via different control methods, including wall mounted touch panels, radio frequency remotes or synced with automation applications. Each control method is paired with our patented controller, allowing on/off or dimming functionality of single or multiple smart glass panels and/or segments (patterned LCG®).

Smart Glass Quality Verification Tools for Glass Fabricators



ATE



ATE 2.0 Model; in Production

Our innovative, patented ATE (automatic testing equipment), which is part of our unique go-to-market strategy, allows for quality verification of optical, mechanical and electrical properties before and after lamination of SPD and PDLC films by our partners in the glass industry, which allows them to produce their own smart glass products. The ATE, which is patent protected in multiple jurisdictions, is comprised of an ergonomic industrial station on wheels with special backlighting for visual inspection and multiple viewing angles of films and glass panels. Our software generates testing results for a set of defined parameters which are displayed on a movable touch screen and can be stored on the device or exported to a customer or us for review. The ATE is a part of our training and certification programs for glass fabricators, and ensures that lamination is done with confidence and quality for customer satisfaction and reduced material waste. This enables our glass fabricator partners to test their products for all optical, electrical, and mechanical parameters, ensuring an on-spec delivery.

Other Light Control Products

Comfort-Shade in Private Aircraft

In addition to our smart glass technology products, we also offer certain manual and mechanical light control products directed towards the high-end private aerospace market. Our Comfort-Shade is a motorized shade that features substantial customization options for our customers. From an aesthetics perspective, Comfort-Shade can be personalized to match the interior design of an aircraft and can enhance the cabin fit and finish to provide our customers with a competitive differentiation. Comfort-Shade offers a number of different configurations, synchronizations and materials. Through its integrated electronics system, the Comfort-Shade assists aircraft crews through preventative maintenance and diagnosis assistance, allows for software upgrades without dismantling the shade and offers remote monitoring and maintenance. The quick, silent and smooth motion of the Comfort-Shade provides superior optical performance and is scratch resistant. The Comfort-Shade is easy to install in both new aircrafts and retrofitted on existing aircrafts. It may also be paired with mood lighting for enhanced ambiance and passenger experience contributing to a sense of comfort and wellbeing.

Vision Control Products

As an existing player already operating within the commercial vehicle manufacturing supply chain, we have developed industry-leading products to modernize the transportation industry with ADAS, CMS, and integrated light and vision control technologies. Our technologies support a safer driving experience for operators of long-body on-road vehicles such as buses, trucks and coaches. With the elimination of blind spots, preemptive warning messages and products that make public operators secure, driver confidence is increased, which contributes to safer roads for all users.

After 20 years of developing side-view mirrors for buses and trucks, we have developed solutions to replace traditional side-view mirrors with fully-integrated CMS. In the CMS technology environment today, we are a Tier 1 supplier and one of the market leaders in the bus and coach market due to the leading optical quality of our Smart Vision products.

Smart-Vision Camera Monitoring System

Camera affixed to exterior of vehicle; component & installation

Digital display inside vehicle; component & installation

Smart-Vision Camera Monitoring System, or Smart-Vision CMS, replaces traditional side-view mirrors on a truck or bus with a superior, high-definition camera that connects to an interior display within the vehicle to improve driving safety through the elimination of blind spots. Our Smart-Vision CMS is also designed to optimize driver visibility by automatically adjusting the interior display depending on the varying light conditions such as the brightness in a tunnel, darkness at night or in rainy weather conditions. We believe these features are differentiated and superior as compared to other CMS products. Additionally, unlike traditional mirrors, the cameras are not affected by the glare of the sun or other light sources that can impair a driver's vision and lead to accidents.

Customers of CMS technologies generally see returns on investments by lowering maintenance costs and maximizing vehicle availability due to a reduction in accidents, as well as offering greater fuel efficiency by improving the aerodynamics of the vehicle due to the removal the traditional side-view mirrors. As designed, our Smart-Vision CMS, which is currently used by 18 bus OEMs and installed on over 5,000 vehicles, can be easily installed by our professionals on new vehicles, or can be retrofitted onto existing trucks or busses.

Our production lines and production processes in our Tel Aviv, Israel and Texas facilities have an IATF 16949:2016 certification of the International Automotive Task Force, or the IATF. The IATF aligns automotive quality management systems throughout the world and provides guidance and tools for companies and organizations who want to ensure that their products consistently meet customer requirements and that quality and customer satisfaction are consistently improved. The certification defines the quality system requirements for the design, development, manufacturing, installation and servicing of automotive-related products. We have received the IATF 16949:2016 certification for our design and manufacturing of nano technologies and advanced materials.

Driver Assistance Systems

Blind-Spot Information System and Moving-Off Information System

Focused on addressing blind spots by utilizing our leading image analysis capabilities to identify pedestrians, bicyclists and other vehicles in real time, our driver assistance systems, Blind-Spot Information System (BSIS+) and Moving-Off Information System (MOIS+) technologies, send critical alerts to drivers that protect VRUs. These products can be fully integrated into our Smart-Vision CMS, adding an additional component that supports safer operation, or can act as a standalone system for a consumer's vehicle. Both systems are CCTV compliant.

BSIS+ technology, utilizing a high dynamic range sensor, identifies and alerts the driver to the presence of a VRU so that a driver can stop the vehicle before life-threatening impact. Similarly, MOIS+ alerts the driver to the presence of a nearby VRU who could be in front of the vehicle, but hidden from the driver's view. Our driver assistance systems provide a large detection area, with the exterior camera able to detect an area 4.25 meters wide and 37 meters long from the body of the vehicle. Additionally, the driver assistance systems' image analysis detection system is able to recognize VRUs and notify the driver via an internal display.

Additional Views

Our Additional Views vision control system provides better visibility around a vehicle by offering blind-spot elimination, more security and high image quality. When installed on a bus, Additional Views offers a wide dynamic range that shows accurate image details in areas of contrasting light intensity and reduces image noise and natural colors. Additional Views features a screen divided into two views to show both sides of a bus and comes with a sunshield to help reduce glare while the driver is operating the bus.

Other Commercial Vehicle Products

Currently, we manufacturer a durable, customizable Driver Protection Door that is designed to offer the driver of a bus or commercial vehicle with enhanced safety measures by providing either a complete or partial door between the driver and the passengers on the commercial vehicle. Our Driver Protection Door has been installed on over 9,000 buses in the European Union, ensuring drivers are safe and protected from public passengers.

Additionally, our Opti-Shade is designed for the interiors of buses to provide passengers with shade protection and offer bus operators a high-quality, durable and low-maintenance shading system.

Research and Development

We devote substantial resources to research and development with the objective of developing new products and technologies, adding new features to existing products and reducing unit costs of our products. Our development strategy is to identify features and products for material, hardware and software that enhance and improve the performance of our solutions for our customers. We measure the effectiveness of our research and development by metrics, including product unit cost, efficiency, reliability, optical performance, customer adoption and customer surveys.

We have a strong research and development team with wide-ranging experience in material science, nanotechnology, electronics, mechatronics, image analysis and software engineering. As of May 17, 2024, our research and development organization had a headcount of 139 people. Our research and development expense totaled $16.0 million and $12.2 million for the years ended December 31, 2023 and 2022, respectively.

Product Roadmap

Our products reflect the innovation focus and capabilities of our technology departments. Our product roadmap is divided into four main categories: LC technologies, SPD technologies, electrochromic technologies, and other electronics and ADAS.

LC Technologies

We intend to continue to develop our PDLC and LC product portfolios to extend temperature ranges, improve optical ranges and enhance durability and reliability in order to be relevant for more applications, in more end-markets, in different geographies and for different regulations. As an example, we are developing an IR active control LC

product that will be able to tune only the IR light through a transparent aperture such as a glass window. This will enable a world of new applications in buildings and vehicles and will allow for better energy management and significant cost reductions.

SPD Technologies

We are constantly working to enhance our SPD product offering with better optical performance, better cost performance and to maintain a growing SPD offering. One example is our Black SPD program, which revolutionizes the basic nano particle to be black-oriented and UV stable as a direct outcome of our customers' demand for future utilization in the full range of passenger car glass.

EC Technologies

As part of our effort to extend light control technologies to the full range of possible applications and to provide our customers throughout our end-markets with a one-stop shop, we are working to develop a new ground-breaking EC technology from the very basic chemistry to allow for it to be also deployed on flexible substrates such as PET ITO. Our hardware employs unique proprietary signals, which allows films to stay on 24 hours a day with no burn-in effects, for reduced MTBF. Having the option to offer EC (blue, black) on film applications will ensure that our glass customer global network will have all three viable and commercial light control technologies at hand from us and allow them to be the most competitive in their own end-markets everywhere.

Electronics

The ability to efficiently drive and control our materials is expected to further accelerate the growth of the global light control market. We believe that, by optimizing optical performance and localizing product requirements to meet standards everywhere, we can extend our product reach to a greater addressable market. We are developing the electronics for the full extent of our product offering, enjoying a system optimized approach which is unique in our market. From a nano particle to the end film material, including the electronic drive control, we can provide our customers with the best performing products.

ADAS

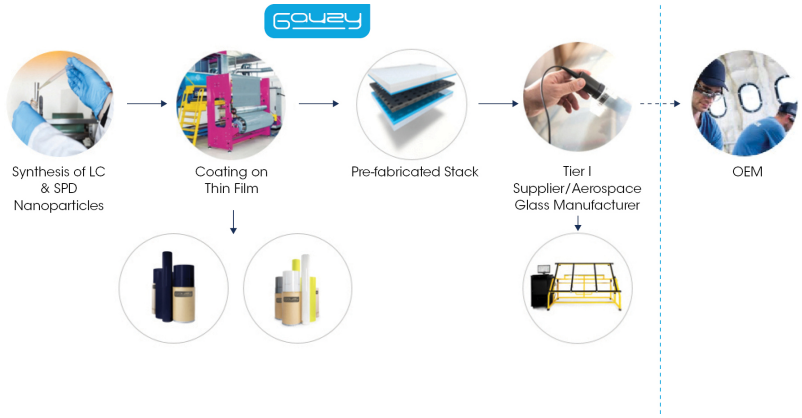
We are developing cutting-edge ADAS vision control systems for commercial vehicles to answer the growing demand in regulation and features. We are currently developing next generation ADAS products for buses and trucks that will incorporate advanced driver monitoring system features, night-time vision perfection, BSIS requirements and many more confidential and proprietary features required by our customers. As a system integrator, we also develop the flexibility to add more functionality as add-ons if OEM's or operators require. We constantly develop our systems to improve vehicle operator response times and reduce system costs to broaden our addressable markets.

Sales & Marketing

Our strategy has been to focus on the following four main end-markets where there is a growing need for our light and vision control technologies: aerospace, automotive, ADAS for commercial vehicles and architecture, including architectural applications in the residential, commercial, healthcare, hospitality and retail segments. Today, our products have been installed in more than 30 countries, including the United States, Canada, Mexico, Germany, Spain, France, Belgium, the Netherlands, Italy, the United Kingdom, Israel, Brazil, China, India, Thailand, Singapore, Australia and South Africa.

In the aerospace market, we work directly with OEMs, designers, completion centers and now increasingly, with the airlines directly. For our cockpit shading offering, we have key long-term relationships with leading OEMs and work closely with them to develop customized solutions. For our cabin shading management offering, we work with OEMs as well as designers and completion centers through the development of customized products that require integration with the completion center process. We also sell to airlines directly for retrofit opportunities, who increasingly have the optionality and decision-making power for the desired cabin shading management solution. The initial request for information from

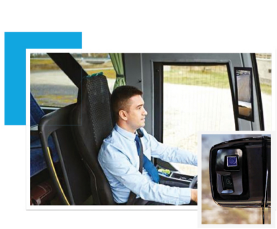
the customer through the selection process can typically take six to 12 months with an additional six months until the start of production, focused on engineering design, testing, certification and documentation, based on our past experience with customers.



In the automotive market, we sell directly to Tier 1 suppliers, but work closely with OEMs throughout the process. The selling cycle for automotive can typically take one to four years from proof of concept through qualification and serial production, based on our past experience with customers. During that time, we work closely with both the OEM and Tier 1 suppliers to customize our technologies for their needs. We leverage our relationships with OEMs to develop new cutting-edge products and technologies. Tier 1 suppliers range from glass manufacturers such as AGC and NSG, and system integrators such as Webasto, Valeo and BOS.

In the commercial vehicles sector, we are a leading Tier 1 supplier of CMS and ADAS solutions for trucks, buses and coaches and work directly with OEMs and fleet operators in the aftermarket. Our sales and marketing organization covers the complete chain of stakeholders. Within trucks, while our selling efforts are focused directly on OEMs, we enhance our marketing offering by working with fleets, driver training organizations and driver unions to gain critical insight into end-user needs which we leverage for the development of new innovative technologies.

We also engage with local regulatory bodies to create awareness and accelerate adoption. Within bus and coach, we primarily work directly with fleet operators who are focused on reducing accidents and maintenance costs. We also work with integrators on retrofit opportunities which we consider a significant opportunity for the business, and are increasingly working with OEMs directly to have full coverage of their needs and demands.

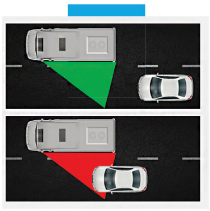


Advanced Camera Monitoring Systems (CMS)

Replace exterior mirrors with cameras and HD interior displays showing real time image & vision analysis for blind spot management and safety alerts

- Smart-Vision
- Safety-Mirror

*used by 20+ bus OEMs and 5,000 vehicles with over 20M+ km travelled



Driver Assistance Systems

CMS supports collision avoidance with pedestrians, vehicles and other obstructions while easing maneuverability

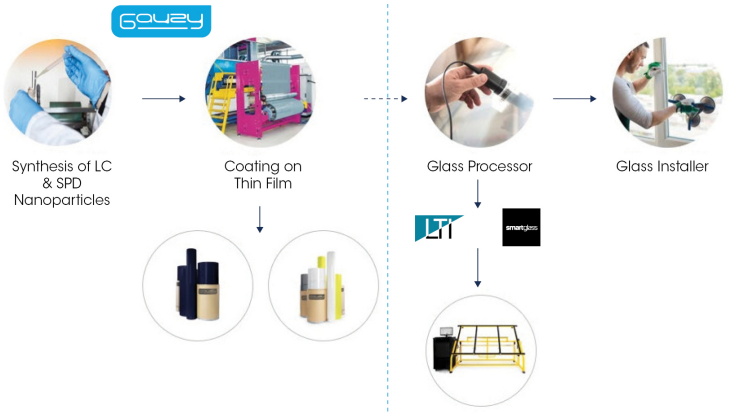
- Blind Spot Information Systems (BSIS+)
- Moving Off Information Signal (MOIS+)

Legacy Products

Traditional products with custom design setting the foundation for next generation solutions

- SafetyDoor - 7,600 buses in EU
- Rear View mirrors - 90 years of experience

In the architecture market, we work closely with more than 75 glass fabricators in over 30 countries and train and certify them to integrate our technologies into their glass production lines, following a qualification and certification process. We enable the glass industry worldwide to produce their own smart glass locally that is embedded with our products. Our goal is to grow this network to over 250 fabricators worldwide over time. Our close relationships allow us to train and certify local glass fabricators in manufacturing glass with our technology. This certification process also allows us to provide a standard service warranty to our end customers, with the option to extend such warranty at a fee, assuring quality control of process and end product. This way, we are able to leverage our existing relationships with local glass fabricators to generate business by marketing our smart glass products up the value chain to end users such as architects, construction companies and designers. This allows us to become familiar with local developers and manufacturers in every country, and every city. We are able to elevate these local relationships to sell our products both for new buildings and to retrofit existing ones. In those cases where we have sold our smart glass portfolio to a new customer, we can connect the customer with a local glass fabricator whom we have trained and certified for local supply, installation and service.



Additionally, we have a number of programs focused on educating installers and other industry professionals about our technology, and we use a combination of road shows, webinars and partner trainings to show them how best to design, sell and implement our technology in their projects.

Our sales strategy and the entrepreneurial culture of our company have allowed us to react quickly to trends in the countries in which we sell our products. For example, in response to the spike in production demand in the U.S. aerospace industry in 2021, we allocated resources and opened a dedicated production site and fulfilment center in Melbourne, Florida. For the year ended December 31, 2023, approximately 22.5% of our revenues were from the United States compared to approximately 29.1% for the year ended December 31, 2022.

Competition

Light Control

Light control technologies are transforming many industries, including the architectural and mobility markets. Our business is characterized by rapid changes as well as new and disruptive technologies. The market for light control solutions is a relatively new market with increasing competition for similar solutions. However, we believe that our solutions have technical superiority such as best-in-class optical performance, widest optical range, color control, segmentation, variety and more. We believe that our business model has an advantage over competitors who are manufacturing smart glass themselves and competing with glass fabricators, while also dealing with supply chain issues and local market customization challenges. The shipping and replacement costs for damaged products alone can deeply undercut their profitability. Our strategy enables our glass fabricator customers to manufacture smart glass themselves by efficiently providing them with the films, electronics and manufacturing expertise on a global and accelerated basis relative to some of our peers. We are also differentiated from our peers in that we serve multiple end-markets and regions, whereas many of them have a much narrower focus.

Our light control technologies and products compete principally with products from electrochromic glass manufacturers such as View Inc. and Sage (owned by Saint-Gobain Glass) as well as a select group of chemicals suppliers who range from large traditional companies such as Merck and Gentex to a few small suppliers primarily located in Asia. Several new entrants to the market, including a few low-cost manufacturers from Asia, have also announced plans to develop or have already shipped products. We believe that our light control products and unique business model offers significant technology and cost advantages that reflect a competitive differentiation over other technologies and competitors. In the SPD segment in particular, we believe we are the only licensed vendor in the world following our recent acquisition of all of Resonac's (formerly Hitachi Chemical) full SPD intellectual property portfolio, which included obtaining and learning the know-how with respect to Resonac's technical and business information related to such acquired patents.

Vision Control

Advanced vision control technologies, such as ADAS and CMS, are revolutionizing the commercial vehicle market. For our vision control solutions, we believe that our main competitors today are Orlaco (owned by Stonebridge Inc.) and Mekra (a joint venture with Bosch GmbH). We have a limited number of competitors of scale given the high technological barriers to entry. In the near future, innovation and advancement in vision control technologies is expected to dramatically increase. Our current product offerings and research and development capabilities have uniquely placed us to be at the forefront of this technological innovation.

Intellectual Property

Intellectual property is an important aspect of our business and we seek protection for our intellectual property rights as appropriate. To establish and protect our proprietary rights, we rely on a combination of patent, copyright, trade secret and trademark laws, know-how and continuing innovation, and contractual restrictions such as confidentiality agreements, licenses, and intellectual property assignment agreements. We strive to protect the proprietary technologies that we believe are important to our business, including seeking and maintaining patent protection intended to cover our products.

As of May 17, 2024, our exclusively-owned patent portfolio included 141 issued patents, of which 18 are U.S. patents and 123 are foreign patents. In addition, as of May 17, 2024, we had a total of 23 pending patent applications, of which 8 are U.S. patent applications and 15 are foreign patent applications. The claims of these owned patents and patent applications are directed toward various aspects of our family of products, method of their manufacturing and research programs.

We initially submit applications to the USPTO as provisional patent applications. Then, typically we continue by filing non-provisional patent applications under the Patent Cooperation Treaty, or the PCT, which is an international patent law treaty that provides a unified procedure for filing a single initial patent application to later seek patent protection for an invention in any number of the member states of the PCT. Although a PCT application does not itself issue as a patent, it acts as a placeholder allowing the applicant to seek protection in any of the member states through national-phase applications.

We have trademark rights in our name, logo and other brand elements, including trademark registrations for select marks in the United States and other jurisdictions around the world, including "LCG®," "GAUZY LCG®," "GAUZY®," "GAUZY® (Chinese alphabet)," "NOCTIS," "NUANCE," "SMART-VISION," and "VISION SYSTEMS."

We pursue the registration of domain names for websites that we use and that we consider material to the marketing of our products, including the gauzy.com domain.

We generally seek to enter into confidentiality agreements and proprietary rights agreements with our employees and consultants and to control access to, and distribution of, our proprietary information. However, we cannot guarantee that all applicable parties have executed such agreements. Such agreements can also be breached, and we may not have adequate remedies for any such breach.

Intellectual property laws, procedures, and restrictions provide only limited protection, and any of our intellectual property rights may be challenged, invalidated, circumvented, infringed, misappropriated, or otherwise violated. Furthermore, the laws of certain countries do not protect intellectual property and proprietary rights to the same extent as the laws of the United States, and we therefore may be unable to protect our proprietary technology in certain jurisdictions.

Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or obtain and use our technology to develop products and services with the same functionality as our products. Policing unauthorized use of our technology is difficult. Our competitors could also independently develop technologies like ours, and our intellectual property rights may not be broad enough for us to prevent competitors from selling products and services incorporating those technologies. For more information regarding the risks relating to intellectual property, see "*Risk Factors — Risks Related to our Intellectual Property*."

Licenses with Research Frontiers, Inc.

Gauzy/RFI License Agreement

In September 2017, we entered a license agreement with RFI for certain technologies regarding the use of information and patents relating to its Light Valve Film, SPD Emulsions and Light Valve technology, or the Gauzy/RFI License Agreement.

Pursuant to the Gauzy/RFI License Agreement, we were granted (i) a non-exclusive, royalty-free license to use, make, lease, sell, or otherwise dispose of SPD Emulsions and Light Valve Film manufactured by us solely to Authorized Users (as defined below) as permitted under the Gauzy/RFI License Agreement and (ii) a non-exclusive, worldwide, royalty-bearing license to use, make, lease, sell, or otherwise dispose of architectural window products incorporating a Light Valve device.

Authorized Users, as defined in the Gauzy/RFI License Agreement, include RFI and a list of entities to which RFI has granted licenses of RFI's intellectual property in their respective territories and fields of use. Unless otherwise agreed by RFI, RFI has the sole discretion to amend the list of Authorized Users upon delivery of notice to us, which effectively restricts the scope of our potential commercial clients for SPD Emulsions and Light Valve Film.

Under the terms of the Gauzy/RFI License Agreement, we are required to pay an annual minimum royalty of $20,000 to RFI. Additionally, we are required to sell and deliver SPD Emulsions to RFI at our direct cost, without mark-up or overhead, and to sell and deliver to RFI Light Valve Film or components thereof at our lowest price given to a third party. RFI may re-sell any such products to third parties, for research and development, proof of concept or other purposes, at a price equal to the purchase price paid by RFI to us for such products (i.e., with no additional markup), plus shipping, overhead, administrative and related costs.

RFI may terminate the Gauzy/RFI License Agreement upon 30 days' notice due to our breach or non-payment. In the event that we have ceased general operations or ceased work relating to SPD film, RFI's right to terminate the Gauzy/RFI License Agreement for convenience will be reinstated as of December 31, 2023, upon 30 days' notice.

Vision System/RFI License Agreement

In January 2010, Vision Systems entered into a license agreement with RFI for certain technologies regarding the use of information and patents relating to its Light Valve technology, or the VS/RFI License Agreement. Pursuant to the VS/RFI License Agreement, as subsequently amended, Vision Systems was granted a non-exclusive, worldwide, royalty-bearing license to use, make, lease, sell, or otherwise dispose of window products incorporating Light Valve used in aircrafts, marine vehicles, non-military transportation vehicles and architecture.

Under the terms of the VS/RFI License Agreement, Vision Systems is obligated to pay RFI 15% of the net selling price of products it sells. The royalty payment is subject to reductions due to reduced price or return of products but shall be no less than $150,000 for each license year beginning in 2015. In addition, RFI may terminate the VS/RFI License Agreement (x) upon delivery of 60 to 90 days' notice, or at least one years' notice if Vision Systems is producing and selling the licensed products in accordance with the agreement, or (y) upon 30 days' notice due to Vision System's breach, non-payment, repeated providing of inaccurate reports or cessation of general operations or of work related to the licensed products.

Board Appointment to Research Frontiers, Inc.

On June 4, 2023, Eyal Peso, our Co-Founder and Chief Executive Officer, was appointed to RFI's board of directors.

Resonac Patent Assignment and Know-How Disclosure Agreement

On February 28, 2023, we entered into a patent assignment and know-how disclosure agreement, or the REC Agreement, with Resonac Corporation (formerly Hitachi Chemical), or Resonac. Pursuant to the REC Agreement, we acquired Resonac's full SPD intellectual property portfolio, consisting of 68 SPD film patents, and obtained knowhow of Resonac's technical and business information related to SPD film for a total consideration of $4.5 million.

Government Regulation and Compliance

We are subject to a variety of laws, regulations and licensing requirements of federal, state and local authorities. We are also required to obtain various licenses and permits from state and local authorities in connection with the operation of our businesses, including but not limited to: licensing, permitting and inspection requirements applicable to glaziers, electricians and engineers; building codes; and permitting and inspection requirements applicable to construction projects.

Our sales and marketing practices are regulated by federal, state and local agencies. These laws and regulations typically place restrictions on the manner in which products and services can be advertised and sold, and provide consumers with certain rescission rights.

Our operations include the use, handling, storage, transportation, generation and disposal of hazardous materials. We are subject to various federal, state, local and foreign laws and regulations relating to the protection of the environment, including those governing the discharge of pollutants into the air and water, the use, management and disposal of hazardous materials and wastes and occupational health and safety. We may become subject to litigation regarding environmental compliance and could incur in the future substantial costs, fines and civil or criminal sanctions and costs arising from regulatory proceedings, third-party property damage or personal injury claims, as a result of violations of or liabilities under environmental laws or non-compliance with environmental permits required at our facilities.

Our facilities are also subject to Process Safety Management requirements (including the requirement under U.S. Occupational Safety and Health Administration regulations), which are designed to prevent or minimize the consequences of catastrophic releases of toxic, reactive, flammable or explosive chemicals. We believe that we are in substantial compliance with all applicable laws and regulations relating to worker health and safety.

Our ADAS technologies may be subject to future regulatory requirements. While there are currently no U.S. federal regulations specifically pertaining to self-driving equipment, the U.S. National Highway Traffic Safety Administration has published recommended guidelines on driver assistance technologies and retains the authority to investigate and/or take action on the safety of any vehicle, equipment or features operating on public roads.

The manufacturing of aerospace components is a highly regulated industry. The safety factors necessary for glass components are significantly higher than for other materials used in aircraft construction due to the loss of strength with duration of load, the variability in strength inherent in glass, and the thickness tolerances and high notch sensitivity. As such, we continually work with our OEMs to ensure we are compliant with manufacturing guidelines in the aerospace market.

We are also subject to federal, state and foreign laws regarding data privacy, data security and the protection of data that we collect, process, share, disclose, transfer and otherwise use, some of which contains personal information about identifiable individuals including, but not limited to, our customers, employees, partners and vendors such as contact details, payment card information and other personal identification information. We are therefore subject to U.S. laws (federal, state, local) and international laws and regulations, including in the European Economic Area, or EEA, and the United Kingdom, regarding data privacy, data security and our use of such data.

Certain state data protection, privacy, consumer protection, content regulation and other laws and regulations may be more restrictive than federal laws. There are also a number of legislative proposals pending before the U.S. Congress and various state legislative bodies concerning data protection that could affect us.

We are also subject to the European Union General Data Protection Regulation 2016/679 and applicable national supplementing laws, or collectively, the EU GDPR. We may also be subject to the GDPR. The GDPR imposes comprehensive data privacy compliance obligations in relation to our collection, processing, sharing, disclosure, transfer and other use of data relating to an identifiable living individual or "personal data," including a principal of accountability and the obligation to demonstrate compliance through policies, procedures, training and audit.

The GDPR regulates cross-border transfers of personal data out of the EEA and the United Kingdom. Case law from the CJEU states that reliance on the standard contractual clauses — a standard form of contract approved by the European Commission as an adequate personal data transfer mechanism — alone may not necessarily be sufficient in all circumstances and that transfers must be assessed on a case-by-case basis. On October 7, 2022, President Biden signed an Executive Order on 'Enhancing Safeguards for United States Intelligence Activities' which introduced new redress mechanisms and binding safeguards to address the concerns raised by the CJEU in relation to data transfers from the EEA to the United States and which formed the basis of the new EU-US Data Privacy Framework, or DPF, as released on December 13, 2022. The European Commission adopted its Adequacy Decision in relation to the DPF on July 10, 2023, rendering the DPF effective as an EU GDPR transfer mechanism to U.S. entities self-certified under the DPF. On October 12, 2023, the UK Extension to the DPF came into effect (as approved by the UK Government), as a UK GDPR data transfer mechanism to U.S. entities self-certified under the UK Extension to the DPF.

Since we are under the supervision of relevant data protection authorities in the EEA and we may also be subject to the supervision of the data protection authority in the United Kingdom, we may be fined under both the EU GDPR and UK GDPR for the same breach. Penalties for certain breaches are up to the greater of EUR 20 million/GBP 17.5 million or 4% of our global annual turnover. In addition to fines, a breach of the GDPR may result in regulatory investigations, reputational damage, orders to cease or change our data processing activities, enforcement notices, assessment notices for a compulsory audit and/or civil claims (including class actions).

We have taken some steps to comply with certain applicable laws, policies, legal obligations relating to data privacy, data protection and data security, however, we may not be in full compliance with all such requirements. It is also possible that the obligations imposed on us by applicable data privacy laws and regulations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices in other jurisdictions.

Dynamic Glass Act

The Dynamic Glass Act of 2021, or the Dynamic Glass Act, is a clean energy bill that was introduced in the U.S. Congress on March 17, 2021. The bill amends the Internal Revenue Code of 1986 to ensure that electrochromic glass qualifies as an energy property for the energy tax credit. The Dynamic Glass Act defines "electrochromic glass" as glass that uses electricity to change its light transmittance properties to heat or cool a structure. On August 16, 2022, the Inflation Reduction Act of 2022 was signed into law, including the energy tax credit provisions from the Dynamic Glass Act. Following the enactment, if certain project criteria are met, these new energy properties are eligible for a thirty percent (30%) federal tax credit on construction projects that begin before 2024.

European Union Renewable Energy Initiatives

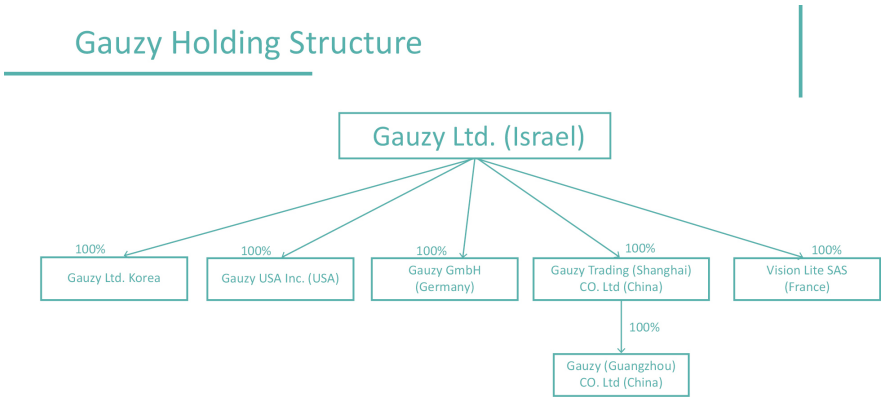
In 2020, the European Commission also established a framework for the European Green Deal such that the European Commission has set out to make Europe climate-neutral by 2050, which also sets the intermediate target of reducing net greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels. Under the European Green Deal, renewable energy is a pillar of the clean energy transition.

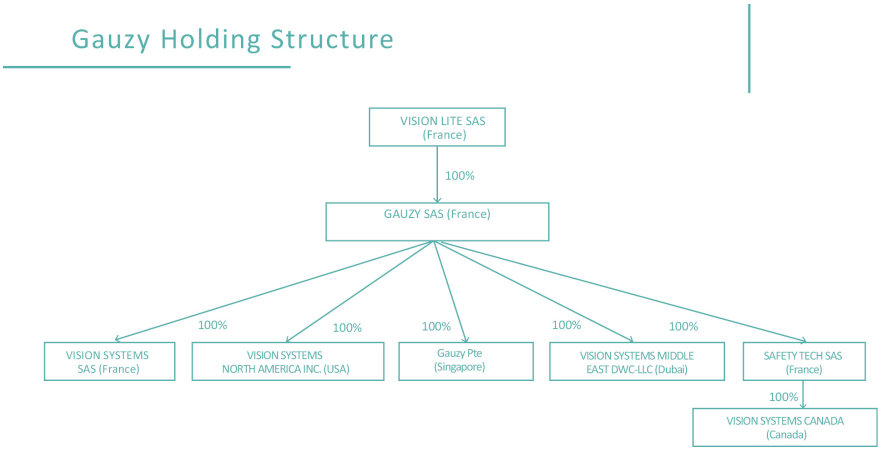
Additionally, in October 2023, the Council of the European Union adopted the new Renewable Energy Directive to raise the share of renewable energy in the EU's overall energy consumption to 42.5% by 2030 with an additional 2.5% indicative top-up to allow the target of 45% to be achieved. Since the introduction of the Renewable Energy Directive (2009/28/EC), the share of renewable energy sources in EU energy consumption has increased from 12.5% in 2010 to 21.8% in 2021.

Organizational Structure

We currently have four wholly-owned subsidiaries: Gauzy USA, Inc., which was incorporated in the State of Delaware; Gauzy GmbH, which was incorporated in Germany; Vision Lite SAS, which was incorporated in France; and Gauzy Trading (Shanghai) Co., Ltd., which was incorporated in China. Our subsidiary Vision Lite SAS currently wholly owns Vision Systems Corporate SAS, which was incorporated in France and has five wholly-owned subsidiaries: Vision Systems SAS, which was incorporated in France; Vision Systems North America, Inc., which was incorporated in Florida; Visi SYS Asia Pte Ltd., which was incorporated in Singapore; Vision Systems Middle East DWC LLC, which was incorporated in Dubai; and Safety Tech SAS, which was incorporated in France. Safety Tech SAS wholly owns Vision Systems Canada, which was incorporated in Canada.

The following diagram depicts our corporate structure, including ownership and voting control of each entity, on a post-offering basis:





Business Combination

On February 7, 2021, we entered into a share purchase agreement, or the Vision Lite SPA, with the shareholders, or the Sellers, of Vision Lite SAS, a French société par actions simplifiée, or Vision Lite, as amended on July 27, 2021, January 16, 2022 and March 28, 2022, for the acquisition of Vision Lite, or the Business Combination with the Sellers. The Business Combination closed on January 26, 2022, or the Closing Date. The consideration for the Business Combination consisted of $23.7 million (€21.0 million) in cash, the repayment of Vision Lite's loans in an amount of approximately $12.9 million (€11.4 million) and contingent consideration of up to $5.6 million (€5.0 million), contingent on the future revenues of Vision Lite. On the Closing Date, an amount of $9.4 million (€8.4 million) was paid in cash to the Sellers, $9.4million (€8.4 million) was paid to the escrow agent and thereafter released to the Sellers on April 12, 2022, $3.4 million (€3.0 million) was paid to the Sellers on April 28, 2022 and May 11, 2022, respectively. In addition, on May 4, 2022, $1.3 million (€1.2 million) of the consideration was paid into escrow for the purpose of providing indemnification for claims of breach of representations by the Sellers. On January 15, 2023, the $1.3 million (€1.2 million) in escrow was released to the Sellers and invested in the Company in consideration for 9,643 Preferred D Shares. In addition, $12.9 million (€11.4 million) was used to pay off the remainder of Vision Lite's loans. As of the Closing Date, we became the sole shareholder of Vision Lite.

The Vision Lite SPA also contains certain earn out provisions, or the Earn Out Agreement, with the Sellers. The Earn Out Agreement requires the Company to pay the Sellers amounts ranging up to $5.6 million (€5.0 million), split into two payments of up to $2.8million (€2.5 million) each, conditional on the annual revenue targets for the years ended December 31, 2022 and 2023. In March 2022, the Earn Out Agreement was amended to include two payments of up to $3.4 million (€3.0 million) each, contingent on meeting annual revenue targets for the calendar years 2022 and 2023. In June 2023, the Earn Out Agreement was amended to re-allocate the payments amongst the Sellers and set forth a payment schedule with respect to the initial $3.4 million (€3.0 million) payment, or the First Earn Out Payment. With respect to the other $3.4 million (€3.0 million) payment, the target revenue that obligates us to pay an earn out amount to the Sellers was increased to €54.4 million, or the Second Earn Out Payment. We met the annual revenue target for calendar year 2022. If any portion of the First Earn Out Payment or Second Earn Out Payment is not paid within 90 days of its relevant due date, then such amount shall bear interest at a rate of seven percent per annum. In December 2023, we further amended the Earn Out Agreement with respect to the Amendment Seller and paid $1.7 million (€1.5 million) of the First Earn Out Payment to the Amendment Seller and agreed to pay the remaining balance of $0.325 million (€0.3 million) of the First Earn Out Payment. In March 2024, we paid the remaining balance of the First Earn Out Payment to the Amended Seller and further amended the Earn Out

Agreement such that we shall use our best efforts to pay the Amended Seller the relevant portion of the Second Earn Out Payment, totaling $1.3 million (€1.15 million) by April 25, 2024. In the event that we do not pay such amount to the Amendment Seller by April 25, 2024, the Second Earn Out Payment shall increase to $1.4million (€1.3 million).

Property and Facilities

Gauzy LTD, Israel

Gauzy GmbH, Germany

Vision Systems, France

We are headquartered in Tel Aviv, Israel, where we occupy two sites, of approximately 3,178 square meters (or approximately 34,207 square feet) of total space, which operate as both an office space as well as a manufacturing, research and development facility. We lease our headquarters under agreements with three separate lessors. The lease agreements with two of the lessors are set to expire in December 2024 and the agreement with the third lessor is set to expire in August and October 2027. We lease an additional 14 office spaces around the world, including in the United States, Germany, France, China, Dubai, Singapore, South Korea and Canada. In addition, we have four manufacturing sites, which are located in Israel, Germany, France and the United States.

In 2022, we expanded our state-of-the-art LC material synthesis facility in Tel Aviv, Israel, which we estimate can now produce LC films for approximately 180,000 square meters of material annually, and we currently have plans to build a new line in this facility. Additionally, we believe our custom 11,000 square meter production facility, strategically located near Stuttgart, Germany, is capable of producing SPD film for approximately 600,000 square meters of material annually for the automotive and architecture industries. We currently estimate that we utilize approximately 25% of our PDLC production capacity in our Tel Aviv facility and approximately five to ten percent of our SPD production capacity in our Stuttgart facility, leaving ample room to grow production with minimal additional capital investment. In addition, our ADAS capabilities are supported by our facility in Lyon, France, which we estimate has a current annual production capacity of approximately 10,000 CMS units, and we plan to expand our annual production capacity in that facility to approximately 100,000 – 125,000 CMS units. We also leverage our 11,000 square meter fulfillment center in Melbourne, Florida as a final assembly site for our aeronautics products.

We further intend to expand our global facilities or add new office space as we add employees and enter new geographic markets, and we believe that suitable additional or alternative space will be available as needed to accommodate any such growth.

Human Capital Resources

Our key human capital management objectives are to attract, retain and develop the highest quality talent throughout our company. To support these objectives, we strive to provide our employees good working conditions and competitive pay, as well as a wide range of benefits programs to eligible employees. We continuously evaluate our benefits programs and policies to meet present and future employee needs and desires. These programs and policies are intended to ensure the well-being of our employees. Programs and policies applicable to our employees generally include, but are not limited to, benefits programs, equity compensation plans, flexible work schedules, diversity and inclusion initiatives, professional development opportunities, paid time-off policies and recognition and rewards programs.

At Gauzy, culture is not just an incidental by-product of working together, it’s our way of life. We believe in integrity, inclusion, diversity, and fairness, as shown by the employee initiatives that we encourage and enforce:

- respectful communication and cooperation between all employees;
- teamwork and employee participation, encouraging the representation of all groups and employee perspectives;

- work/life balance through flexible work schedules to accommodate employees' varying needs; and
- employer and employee contributions to our communities to promote a greater understanding and respect for diversity.

As of the date of this prospectus, we have 15 senior management positions, which includes our Chief Executive Officer and those who report to our Chief Executive Officer, which consists of seven reporting managers to the CEO from affiliates of Gauzy Ltd. and seven reporting managers to the CEO from Gauzy Ltd., all of whom are engaged on a full-time basis. As of the date of this prospectus, we had 636 employees in full-or part-time capacities. Our employees are located in Israel, France, the United States, Australia, China, Colombia, Germany, Italy, the Netherlands, Poland, Singapore, South Korea and the UAE.

None of Gauzy Ltd.'s employees are represented by labor unions or covered by collective bargaining agreements. Approximately 42% of Vision Systems employees participate in local union elections and 100% are covered by collective bargaining agreements. We believe that we maintain good relations with all our employees, but we do have an anonymous reporting system setup for employees to confidentially report concerns.

All of our employment agreements include customary provisions with respect to non-competition, assignment to us of intellectual property rights developed in the course of employment and confidentiality. Our consulting agreements with our representatives and our partners include provisions with respect to assignment to us of intellectual property rights developed in the course of their engagement as well as confidentiality. The enforceability of such provisions may be limited under applicable law.

Legal Proceedings

In September 2017, we entered into a license agreement with RFI for certain technologies regarding the use of information and patents relating to its Light Valve Film, SPD Emulsions and Light Valve technology. See "*Intellectual Property — Gauzy/RFI License Agreement.*" In October 2020, GGT filed a lawsuit in the U.S. District Court — Middle District of Florida against us, our subsidiary Vision Systems and RFI, alleging breach of contract, inducement of patent infringement, and patent infringement related to the patented technologies we license from RFI. The only claim relevant to us is the patent infringement claim. GGT seeks declaratory relief, injunctive relief and damages for royalty payments. We are currently a party to this litigation, and we do not collect royalties on these licenses. On November 30, 2021, our motion to dismiss GGT's first amended complaint was granted with leave for plaintiffs to amend. On September 27, 2022, our motion to dismiss GGT's second amended complaint was denied. On October 18, 2023, the inducement of patent infringement and patent infringement claims were dismissed without prejudice for 30 days during which time GGT was permitted to find replacement counsel. GGT was advised by the court that if it did not find a replacement counsel within such 30-day period that such patent infringement claim would be dismissed with prejudice. On November 16, 2023, GGT filed a motion asking for a 60-day extension of time to find counsel. We responded to such motion on November29, 2023, and the court granted that motion, giving GGT until December 21, 2023 to secure and retain counsel. On December21, 2023, GGT notified the court that it had reengaged one of its previous counsel. On February 20, 2024, we filed our motion seeking recovery of our attorney fees as a sanction against the plaintiff and its lawyers for bringing this lawsuit. On February 21, 2024, the court entered its order granting RFI motion for summary judgment, and granting RFI and our motion to sanction plaintiff for filing a frivolous lawsuit. We are currently waiting for a ruling on our motion for attorney fees.

Except as disclosed above, we have not been, and are not currently, a party to any material or pending litigation or regulatory proceedings that could have a material adverse effect on our business, operating results, financial condition or cash flows. From time to time, we may be involved in legal or regulatory proceedings arising in the ordinary course of our business.

MANAGEMENT

Executive Officers and Directors

The following table sets forth information regarding our executive officers and directors, including their ages as of the date of this prospectus:

Name	Age	Position
Eyal Peso	44	Chief Executive Officer and Chairman
Adrian Lofer	49	Chief Technology Officer
Meir Peleg	48	Chief Financial Officer
Dudi Baruch	43	Chief Operations Officer
Brittany Kleiman Swisa	37	Chief Marketing Officer
Hadas Talmi Mahler	41	Chief Human Resources Officer
Michael Donnelly[(1)(3)]	43	Director
Gal Gitter	41	Director
Alexander Babitsky[(2)(3)]	49	Director
Danny Allouche[(1)(2)(3)]	49	Director
Ezriel Jesse Klein[(1)(2)(3)]	51	Director

(1) Member of the compensation committee.
(2) Member of the audit committee.
(3) Independent director (as defined under Nasdaq Stock Market Listing Rules).

Eyal Peso, Chief Executive Officer, Director

Eyal Peso is our co-founder and has served as Chairman of the Board and Chief Executive Officer since 2009. Mr. Peso is an experienced entrepreneur with a strong track record in building a technology company from early to growth stages, covering all aspects from innovation and research and development management, funding and finance, sales and marketing, and global multidiscipline operations. Prior to founding Gauzy, Mr. Peso was a business manager at Alvarion Technologies Ltd. (NASDAQ: ALVR) (acquired by SuperCom Ltd. in 2016), a leading telecom company. Mr. Peso holds a B.Sc in Electrical and Electronic Engineering and a Master's degree in Business Administration, both from Tel Aviv University in Israel. Mr. Peso brings to our executive management and board of directors demonstrated senior leadership skills, years of experience in the High tech and electronics industries, and historical knowledge of our Company from the time of its founding.

Adrian Lofer, Chief Technology Officer

Adrian Lofer has served as our Chief Technology Officer since he cofounded our Company in October 2009. Mr. Lofer brings more than two decades of experience in research and development, and system engineering of multidisciplinary applications. Mr. Lofer heads our research and development and technological innovation, including hardware development, IP development and management, and technological strategic partnerships. In addition, Mr. Lofer manages our global quality management activities and our compliance with industry regulatory requirements. Mr. Lofer also oversees our global services and customer support. Prior to cofounding Gauzy, between 2007 and 2012, Mr. Lofer served as a lead research and development engineer at Alvarion Technologies Ltd. (NASDAQ: ALVR) (acquired by SuperCom Ltd. in 2016), a leading telecom company. Prior to that, between 2000 and 2007, Mr. Lofer served as a lead research and development engineer at NICE Systems Ltd. (NASDAQ: NICE), a contact center software and recorded data security company. Mr. Lofer holds a Bachelor of Science degree in Electrical and Electronics Engineering and a Master's degree in Business Administration, both from Tel Aviv University.

Meir Peleg, Chief Financial Officer

Meir Peleg has served as our Chief Financial Officer since September 2017. Prior to joining us, between 2014 and 2017, Mr. Peleg served as Chief Financial Officer at F.B.M. Composite Materials Ltd., a leading composite parts manufacturer for the aircraft industry. Prior to that, between 2011 and 2014, Mr. Peleg served as Chief Financial Officer at Techsign Advanced Signs Systems Ltd., a developer and manufacturer of wayfinding signage systems (Vista Systems). Prior to that, between 2005 and 2011, Mr. Peleg served as a Supervisor at PricewaterhouseCoopers, a global professional services, accounting, and consulting firm. Mr. Peleg holds a Bachelor of Science degree in Economics and Computer Science, an accounting studies certificate, and a Master's degree in Business Administration, all from Bar-Ilan University.

Dudi Baruch, Chief Operations Officer

Dudi Baruch has served as our Chief Operations Officer since October 2020. Mr. Baruch leads our operations, including supply chain, and engineering and production lines worldwide. Prior to joining us, between 2010 and 2020, Mr. Baruch served as a site manager at Alpha Bio Tec. (acquired by Danaher Corp. (NYSE: DHR) in 2014), a global provider of dental products and biomaterials. Prior to that, between 2008 and 2010, Mr. Baruch served as a supply chain manager at Omrix Biopharmaceuticals Ltd. (acquired by Johnson and Johnson (NYSE: JNJ) in 2008), a global provider of human plasma-based products. Mr. Baruch holds a Bachelor of Science degree in Industrial Engineering from the Technion — Israel Institute of Technology, and a Master's degree in Business Administration from Ben Gurion University.

Brittany Kleiman Swisa, Chief Marketing Officer

Brittany Kleiman Swisa has served as our Chief Marketing Officer since January 2024, where she is responsible for our global marketing efforts. Prior to her appointment as our Chief Marketing Officer, Mrs. Kleiman Swisa served as our Global Vice President of Marketing and in various management roles within our marketing function from December 2016 to December 2023. Mrs. Kleiman Swisa brings over 15 years of experience in strategic marketing, product development & positioning, branding, public relations, and digital marketing. Prior to working at Gauzy with a focus on material science technologies, she worked in diverse industries including life-science technologies, real estate development & acquisitions, and in the nonprofit sector. She holds a Bachelor's Degree in Communications from the University of Colorado, and a Masters Degree in Business Management for Technology Companies from New York University.

Hadas Talmi Mahler, Chief Human Resources Officer

Hadas Talmi Mahler has served as our Chief Human Resources Officer since January 2024, where she is responsible for our global human resources function. Prior to her appointment as our Chief Human Resources Officer, Mrs. Talmi Mahler served as our Executive Vice President of HR from January 2023 to December 2023, our Vice President of HR from January 2020 to December 2022 and in various other roles within our human resources function from June 2016 to December 2019. Mrs. Talmi Mahler is responsible for leading talent acquisition management, employee relations, performance management, compensation and benefits methodology, training and development and the HR information systems. Before joining Gauzy, Mrs. Talmi Mahler served as an HR Manager at PricewaterhouseCoopers, a global firm for professional services, accounting and consulting. Prior to that, she served in various HR positions at Intel (NASDAQ: INTC) manufacturing center in Israel. Mrs. Talmi Mahler holds a Bachelor of Arts in Behavioral Science and a Master's degree in Business Administration, specializing in Organizational Behavior, both from Ben Gurion University.

Michael Donnelly, Director

Michael Donnelly has served on the Board since June 2023. Mr. Donnelly was appointed by our shareholder Ibex Israel Fund LLLP and its affiliates. Mr. Donnelly joined Ibex in September 2019 as a Partner and Managing Director to lead co-investment opportunities and work on special projects. Prior to joining Ibex, Mr. Donnelly was Managing Director of Investment Banking at GVC Capital in Greenwood Village, Colorado. During his 15 plus years at GVC, he assisted the corporate finance team in raising in excess of $600 million in over 120 transactions including four IPOS, 73 PIPEs, 30 Private Placements, 11 Follow-On Offerings, two Registered Directs and two Reverse Mergers. Mr. Donnelly graduated with a B.S. in Finance from the University of Colorado, where he was one of the Presidents of the University of Colorado Student Government. He currently serves on the University of Colorado Foundation Board of Trustees and serves as a Board Member for Ibex portfolio company Revel and is a Board Observer for Ibex portfolio company SiFive.

Gal Gitter, Director

Gal Gitter has served on the Board since December 2020 and was appointed by our shareholder Ibex Israel Fund LLLP and its affiliates. Mr. Gitter is a Partner and Managing Director at Ibex since May 2020. Prior to that, between January 2017 and May 2020, Mr. Gitter served as Associate Partner, Corporate Development at McKinsey & Company, a global management consulting firm. Prior to this role, between February 2014 and December 2016, Mr. Gitter served as Engagement Manager, and between June 2012 and February 2014, he

served as Associate at McKinsey. Prior to that, between October 2009 and June 2010, Mr. Gitter served as Project Manager at Tnuva, a leading Israeli food company. Besides his role as a Managing Director at Ibex and serving as a Board member, Mr. Gitter serves as a board member in several other technology companies such as BeamUp Ltd., HoneyComb Insurance Ltd., Cylus Cyber Security Ltd., Vatbox Ltd., Groundwork BioAg Ltd., Glassbox Ltd., Cobwebs Technologies Ltd., and Talenya Ltd., and as a board observer in WekalO, Inc. Mr. Gitter has also served as a board member between February 2021 and February 2022 in Oribi Ltd. (acquired by LinkedIn in 2022). Mr. Gitter holds a Bachelor's degree in Economics from the Technion — Israel Institute of Technology and a Master's degree in Business Administration from The Wharton School of the University of Pennsylvania.

Alexander Babitsky, Director

Alexander Babitsky has served on the Board since February 2017 and was appointed by our shareholder Infinity Holding Ventures PTE, an affiliate of Waarde Capital B.V, where Mr. Babitsky served as a Venture Partner. Since October 2019, Mr. Babitsky serves as Chief Executive Officer at Entoprotech Ltd., a circular economy company, using Black Soldier Flies to turn food waste into high-quality protein and other advanced products. Since November 2012, Mr. Babitsky serves as the Founder and Director of NDN Advisers Ltd., a management consulting and corporate finance advisory firm. Prior to that, between July 2007 and May 2013, Mr. Babitsky served as Director for CIS Markets at Gryphon Emerging Markets Limited, a London-based corporate finance advisory firm focusing on emerging markets. Prior to that, between 2004 and 2006, Mr. Babitsky served as the Founder and consultant at N.G.Nir, a management consulting firm, and as a Co-Founder at Tulsa N.Y.M., a medical device company. Prior to that, between November 2002 and August 2004, Mr. Babitsky served as operations controller at Ceragon Networks Ltd. (NASDAQ: CRNT), a global telecommunication equipment company. Prior to that, between August 2000 and November 2002, Mr. Babitsky served as project manager at Kulicke and Soffa Industries, Inc. (NASDAQ: KLIC), a leading provider of semiconductor packaging and electronic assembly solutions company. Mr. Babitsky served as a board member between March 2013 and August 2019 in Utilight Ltd., and between September 2014 and July 2018 in Xplenty Ltd. (now Integrate.io). Mr. Babitsky holds a Bachelor's degree in Industrial Engineering from the Technion — Israel Institute of Technology and a Master's degree in Business Administration from the University of Oxford.

Danny Allouche, Director

Danny Allouche has served on the Board since February 2019 and was appointed by our shareholder Avery Dennison Corporation. Since August 2022, Mr. Allouche serves as Senior Vice President and Chief Strategy and Corporate Development Officer at Avery Dennison Corporation (NYSE: ADY), a global materials science and manufacturing company specializing in the design and manufacture of a wide variety of labeling and functional materials and solutions. Prior to this role, between May 2016 and July 2022, Mr. Allouche served as Vice President of Strategy and Corporate Development at Avery Dennison. Prior to this role, between March 2014 and May 2016, Mr. Allouche served as Vice President, Treasury and Corporate Development at Avery Dennison. Prior to that, between October 2010 and March 2014, Mr. Allouche served as Director and Vice President of Strategy and M&A at Avery Dennison. Prior to that, between August 2006 and May 2010, Mr. Allouche served as Vice President at Shamrock Activist Value Fund, a private equity fund. Prior to that, between August 2004 and August 2006, Mr. Allouche served as a consultant at Bain & Company, Inc. Besides his role at Avery Dennison and serving as our Board member, Mr. Allouche serves as a board member in Airtouch Solar Ltd., a solar panel cleaning company; (TASE: ARTS). Mr. Allouche holds a Bachelor's degree in Economics from Northwestern University and a Master's degree in Business Administration from the University of California, Los Angeles.

Ezriel Jesse Klein, Director

Ezriel Jesse Klein has served on the Board since November 2019 and was appointed by our shareholder BlueRed Capital Fund LP. Mr. Klein is the co-founder and Managing Partner at BlueRed Partners, a Singapore-based venture capital management firm, established in 2017. Prior to that, between 2014 and 2016, Mr. Klein served as an Advisor to the Chairman and as Head of Innovation and Strategic Investments at OUE Ltd. (SGX: LJ3), a leading pan-Asian, full-service real estate development, investment, and management company. Prior to that, between 2011 and 2013, Mr. Klein served as Managing Partner at Tamarix Fund Company, a venture management firm. Prior to that, between 2001 and 2011, Mr. Klein served as Regional Director and Head of Asia at Giza Venture Capital in Singapore, a venture capital firm that managed five technology funds. Prior to that, between 1999 and 2001, Mr. Klein served as Investment Manager at Giza Venture Capital. Prior to that, Mr. Klein served as an analyst at Giza Capital Markets, an investment

bank (affiliate of Alex. Brown & Sons). Mr. Klein has served as a board member in several technology companies such as Unbound Security (NASDAQ: COIN) (acquired by Coinbase Global Inc.), and currently serves as a board member in Cynet, DouxMatok, InZiv, RenalSense, Optibus, Panorays, and EarlySense Ltd. Mr. Klein holds a Bachelor's degree in Economics and International Relations from the Hebrew University.

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

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, except for rights of certain of our shareholders to appoint members of the Board pursuant to our articles of association in effect prior to this offering.

Pursuant to our articles of association in effect prior to this offering, certain of our shareholders had rights to appoint members of the Board. All rights to appoint directors and observers under our articles of association in effect prior to this offering will terminate upon the closing of this offering, although currently serving directors that were appointed prior to this offering will continue to serve pursuant to their appointment until the annual meeting of shareholders at which the term of their class of director expires. The right of the 2023 Note Purchaser to appoint one non-voting observer to the Board under the Note Purchase Agreement shall continue to be in effect until the repayment of the 2023 Notes. We are not a party to, and are not aware of, any voting agreements among our shareholders.

Our currently serving directors were appointed as follows:

- Eyal Peso was appointed by our founders, Mr. Peso, Mr. Lofer and Mr. Dimitry Dobrenko.
- Michael Donnelly was appointed by Ibex Israel Fund LLLP and its affiliates.
- Gal Gitter was appointed by Ibex Israel Fund LLLP and its affiliates.
- Alexander Babitsky was appointed by Infinity Holding Ventures PTE Limited.
- Danny Allouche was appointed by Avery Dennison Corporation.
- Ezriel Jesse Klein was appointed by Blue-Red Capital Fund LP.

Compensation

The following table presents in the aggregate all compensation we paid to all of our directors and senior management as a group for the year ended December 31, 2023. 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 table below reflect our cost, in thousands of U.S. dollars. Amounts paid in NIS are translated into U.S. dollars at the rate of NIS 3.6890 = $1.00, based on the average representative rate of exchange between the NIS and the U.S. dollar as reported by the Bank of Israel during such period of time.

	Salary, bonuses and Related Benefits	Pension, Retirement and Other Similar Benefits	Share-Based Compensation
All directors and senior management as a group, consisting of 11 persons as of December 31, 2023.	$ 1,434,056	$ 226,120	$ 1,997,651

As approved by the Board, subject to and following the completion of this offering, we intend to distribute bonus payments to certain employees and consultants, such that in the event that the price per share to the public in this offering exceeds the price per series D share in our Series D round (i.e., $31.08 (as adjusted for any discounts pursuant to our articles of association and for any share splits prior to the closing of this offering)), or the Condition, and such amount, the Excess, we intend to distribute bonus payments to such employees and consultants up to a total amount of $537,500, to be allocated among such employees and consultants as the Board may instruct, and in the event the Condition is not met we intend to distribute bonus payments to such employees and consultants up to a total amount of $268,750, to be allocated among such employees and consultants as the Board may instruct.

In addition, subject to and following the completion of this offering, we intend to distribute bonus payments to certain officers, such that in the event the Condition is met we intend to distribute bonus payments to certain officers up to a total amount of $1,075,000, and in the event that the Condition is not met we intend to distribute bonus payments to some of such officers up to a total amount of $287,500.

As of December 31, 2023, options to purchase 830,559 ordinary shares granted to our directors and executive officers were outstanding under our 2016 Share Award Plan at a weighted average exercise price of $0.065 per share.

Following the closing of this offering, we intend to pay each of our non-employee directors an annual retainer of $50,000, with an additional annual payment for service on board committees as follows: $10,000 (or $20,000 for the chairperson) for membership of the audit committee and $7,500 (or $15,000 for the chairperson) for membership of the compensation committee.

In addition, following the closing of this offering, our non-employee directors will be granted (i) options under our 2016 Plan following the 30th trading day of our shares on Nasdaq (provided the director is still in office) with a value of $150,000, and (ii) thereafter, following each annual general meeting of our shareholders, options under our 2016 Plan (provided the director is still in office) with a value of $150,000 (with prorated awards granted to non-employee directors who join the Board on a date other than an annual general meeting of our shareholders). The options will vest over a three-year period with one-third vesting on the one-year anniversary of the date of grant and the remainder vesting in equal parts at the end of each calendar quarter thereafter, subject to acceleration upon a "Merger/Sale" (as defined in the 2016 Plan) and have an exercise price equal to the 30-trading days' average closing price of our ordinary shares prior to the date of grant.

In addition, commencing from the first business day in Israel following the 30h trading day of our shares after the closing of this offering, or the First Grant Date, and on each anniversary of the First Grant Date, our office holders who are not non-employee directors, or Eligible Executives, provided that he or she is serving as an Eligible Executive at such time, will be granted options under our 2016 Plan with a value of up to three times (or five times for our chief executive officer) their annual aggregate gross base salary for the year in which the grant is made, which value shall be determined by our compensation committee and the Board (with prorated awards granted to Eligible Executives who are appointed on a date other than the annual grant date immediately preceding his or her appointment). The options will vest over a four-year period with one-quarter vesting on the one-year anniversary of the date of grant and the remainder vesting in equal parts at the end of each calendar quarter thereafter, subject to acceleration upon a "Merger/Sale" (as defined in the 2016 Plan) and have an exercise price equal to the 30-trading days' average closing price of our ordinary shares prior to the date of grant.

In the event that the Condition is met, then options with a value equal to 0.1% of the Excess multiplied by the number of our issued and outstanding shares immediately following the closing of this offering shall be granted to each of Eyal Peso, our Chief Executive Officer, Adrian Lofer, our Chief Technology Officer, and Meir Peleg, our Chief Financial Officer under the 2016 Plan. The exercise price shall be equal to NIS 1.00 and all of the options shall be fully vested upon grant.

For so long as we qualify as a foreign private issuer, we will not be required to comply with the proxy rules applicable to U.S. domestic issuers regarding disclosure of the compensation of certain executive officers on an individual basis. Pursuant to the Companies Law, we will be required, after we become a public company, to disclose the annual compensation of our five most highly compensated officers or directors on an individual basis. This disclosure will not be as extensive as that required of a U.S. domestic issuer. We intend to commence providing such disclosure, at the latest, in the proxy statement for our first annual meeting of shareholders following the closing of this offering, which will be filed under cover of a report on Form 6-K.

Agreements with Executive Officers

We have entered into written employment agreements with each of our executive officers. These agreements provide for notice periods of varying duration for termination of the agreement by us or by the relevant executive officer, during which time the executive officer will continue to receive salary and benefits. Such notice periods ordinarily require 30 days advance notice, and in some cases 60 or 90 days. However, our employment agreements with each of Eyal Peso, our chief executive officer, and Adrian Lofer, our chief technology officer, provide for longer advance notice periods, each of 180 days (subject to our right, at our election, to reduce such notice period

and pay for the remainder of the period in lieu of notice). These agreements also contain customary provisions regarding confidentiality of information, assignment of inventions, non-solicitation and non-competition. However, the enforceability of the non-competition provisions may be limited under applicable law.

For a description of the terms of our options and option plans, see "*Management — Equity Incentive Plans*" below.

Directors' Service Contracts

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

Corporate Governance Practices

As an Israeli company, we are subject to various corporate governance requirements under the Companies Law. However, pursuant to regulations promulgated under the Companies Law, companies with shares traded on certain U.S. stock exchanges, including the Nasdaq, may, subject to certain conditions, "opt out" from the Companies Law requirements to appoint external directors and related Companies Law rules concerning the composition of the audit committee and compensation committee of the board of directors (other than the gender diversification rule under the Companies Law, which requires the appointment of a director from the other gender if at the time a director is appointed all members of the board of directors are of the same gender). In accordance with these regulations, we elected to "opt out" from such requirements of the Companies Law. Under these regulations, the exemptions from such Companies Law requirements will continue to be available to us so long as: (i) we do not have a "controlling shareholder" (as such term is defined under the Companies Law), (ii) our shares are traded on certain U.S. stock exchanges, including the Nasdaq, and (iii) we comply with the director independence requirements and the audit committee and compensation committee composition requirements under U.S. laws (including applicable rules of the Nasdaq) applicable to U.S. domestic issuers.

We are a "foreign private issuer" (as such term is defined in Rule 405 under the Securities Act). As a foreign private issuer, we are permitted to follow home country corporate governance practices instead of certain Nasdaq corporate governance rules, provided that we disclose which of the Nasdaq requirements we are not following and the home country practice we intend to follow in lieu of such requirements. Pursuant to this "home country practice" exemption, we intend to follow Israeli practices in the following matters:

- *Nomination of Directors.* As permitted under Israeli law and pursuant to Israeli practice, the nominations for members of the Board will be generally made by the Board or a duly authorized committee thereof and not by a nominating committee of the Board consisting solely of independent directors or a majority of the independent directors in a vote in which only independent directors participate, as required under the Nasdaq rules;
- *Quorum at Shareholder Meetings.* As permitted under the Companies Law and pursuant to the Amended Articles, the quorum required for a general meeting of our shareholders consists of at least two shareholders, present in person or by proxy, who hold or represent at least 33 1/3% of the total voting power of our ordinary shares, provided, however, if any general meeting of shareholders was initiated by and convened pursuant to a resolution adopted by the board of directors, then the requisite quorum will consist of two or more shareholders, present in person or by proxy, who hold or represent at least 25% of the total voting power of our ordinary shares (for so long as such 25% quorum is permitted under stock exchange rules and regulations applicable to us, and if not so permitted, then the above 33⅓% quorum shall apply). If the meeting is adjourned for a lack of quorum, the quorum for such adjourned meeting will be, subject to applicable law and stock exchange rules and regulations, any number of shareholders regardless of the number of shares held or represented by them;
- *Proxy Solicitation and Statements.* We do not intend to comply with the Nasdaq rules regarding the solicitation of proxies and the provision of proxy statements for general meetings of shareholders. In accordance with Israeli practice, we intend to provide notices for shareholder meetings, including an agenda and other relevant information. As a foreign private issuer, we are generally exempt from the SEC's proxy solicitation rules;

- *Review and Approval of Related-Party Transactions.* Related-party transactions will be reviewed and approved in accordance with the requirements and procedures prescribed by the Companies Law, which generally require the approval of the audit committee, or the compensation committee, as the case may be, the board of directors and, if applicable, shareholders, for transactions, including with respect to compensation, with directors, officers and controlling shareholders, rather than being reviewed and approved by the audit committee or other independent body of the Board as required under the Nasdaq rules. See "*Management — Approval of Related Party Transactions under Israeli Law*" for additional information;

- *Shareholder approval.* We will seek shareholder approval for corporate actions requiring such approval under the requirements of the Companies Law, rather than seeking approval for corporate actions in accordance with Nasdaq Listing Rule 5635, which requires shareholder approval for, among other things, the adoption of and material changes to equity incentive plans or other equity compensation arrangement and issuances thereunder and for certain dilutive events (such as issuances that will result in a change of control, certain transactions, other than a public offering, involving issuances of a 20% or greater interest in us and certain acquisitions of the stock or assets of another company); and

- *Periodic Reports.* As opposed to making periodic reports available to shareholders in the manner prescribed by the Nasdaq rules, we intend to follow practice in Israel which is not to distribute such reports to shareholders. We may elect to make such reports available through a public website.

We otherwise intend to comply with the Nasdaq rules generally applicable to U.S. domestic companies listed on the Nasdaq. We may in the future decide to use the home country practice exemption with respect to some or all of the other corporate governance rules.

Board Practices

Board of Directors

Under the Companies Law and the Amended Articles, our business and affairs will be managed under the direction of the Board. The Board may exercise all powers and may take all actions that are not specifically granted to our shareholders or to executive management. Our chief executive officer (referred to as a "general manager" under the Companies Law) is responsible for our day-to-day management. Our chief executive officer is appointed by, and serves at the discretion of, the Board, subject to the employment agreement that we have entered into with him. All other executive officers are appointed by the chief executive officer, subject to applicable corporate approvals, and are subject to the terms of any applicable employment or consulting agreements that we may enter into with them.

Under the Amended Articles, the number of directors on the Board is determined by the Board and will be no less than three and no more than 11 directors and, other than external directors, if any, they are divided into three classes with staggered three-year terms. Each class of directors consists, as nearly as possible, of one-third of the total number of directors constituting the entire board of directors. At each annual general meeting of our shareholders, the election or re-election of directors following the expiration of the term of office of the directors of that class of directors will be for a term of office that expires on the third annual general meeting following such election or re-election, such that from the annual general meeting of 2025 and after, each year the term of office of only one class of directors will expire.

Upon the closing of this offering, our directors will be divided among the three classes as follows:

- the Class I directors are Gal Gitter and Alexander Babitsky, and their terms will expire at our annual general meeting of shareholders to be held in 2025;

- the Class II directors, are Michael Donnelly and Ezriel Jesse Klein, and their terms will expire at our annual meeting of shareholders to be held in 2026; and

- the Class III directors are Eyal Peso and Danny Allouche, and their term will expire at our annual meeting of shareholders to be held in 2027.

Our directors are appointed by a simple majority vote of holders of our ordinary shares participating and voting at an annual general meeting of our shareholders, provided that (i) in the event of a contested election, the method of calculation of the votes and the manner in which the resolutions will be presented to our shareholders at the annual general meeting shall be determined by the Board in its discretion, and (ii) in the event that the Board does not or is unable to make a determination on such matter, then the directors will be elected by a plurality of the voting power represented at the annual general meeting in person or by proxy and voting on the election of directors (which means that the nominees receiving the largest number of "for" votes (up to the number of board seats being filled in such election) will be elected, provided that in the event of a tie, nominees proposed by the Board shall be given precedence over alternative nominees). In addition, our directors are divided into three classes, one class being elected each year at the annual general meeting of our shareholders, and serve on the Board until the third annual general meeting following such election or re-election or until they are removed at a general meeting of our shareholders in accordance with the Amended Articles or upon the occurrence of certain events in accordance with the Companies Law and the Amended Articles. In addition, the Amended Articles provide that vacancies on the Board may be filled by a vote of a simple majority of the directors then in office. A director so appointed will hold office until the next annual general meeting of our shareholders for the election of the class of directors in respect of which the vacancy was created, or in the case of a vacancy due to the number of directors being less than the maximum number of directors stated in the Amended Articles, until the next annual general meeting of our shareholders for the election of the class of directors to which such director was assigned by the Board.

Under the Amended Articles, the approval of the holders of at least 55% of the total voting power of our shareholders is generally required to remove any of our directors from office and any amendment to this provision and other provisions concerning the dismissal or removal of directors require the approval of at least 55% of the total voting power of our shareholders.

Chairperson of the Board

The Amended Articles provide that the chairperson of the Board is appointed by the members of the Board from among them. Under the Companies Law, the chief executive officer of a public company, or a relative of the chief executive officer, may not serve as the chairperson of the board of directors of such public company, and the chairperson of the board of directors, or a relative of the chairperson, may not be vested with authorities of the chief executive officer of such public company without shareholders' approval consisting of a majority vote of the shares present and voting at a shareholders meeting, and in addition, either:

- at least a majority of the shares of non-controlling shareholders and shareholders that do not have a personal interest in the approval voted on the proposal are voted in favor (disregarding abstentions); or
- the total number of shares of non-controlling shareholders and shareholders who do not have a personal interest in such appointment that are voted against such appointment does not exceed 2% of the aggregate voting rights in the company.

The shareholders' approval can be provided for a period of up to five years following an initial public offering, and subsequently, for additional periods of up to three years. Prior to this offering, our shareholders approved Mr. Eyal Peso serving as chairperson of the Board, in addition to his role as our chief executive officer, for the five-year period following the closing of this offering.

In addition, a person who is subordinated, directly or indirectly, to the chief executive officer may not serve as the chairperson of the board of directors; the chairperson of the board of directors may not be vested with authorities that are granted to persons who are subordinated to the chief executive officer; and the chairperson of the board of directors may not serve in any other position in the company or in a controlled subsidiary but may serve as a director or chairperson of a controlled subsidiary.

External Directors

Under the Companies Law, companies incorporated under the laws of the State of Israel that are "public companies," including companies with shares listed on the Nasdaq, are required to appoint at least two external directors. External directors are directors who meet certain qualification requirements, including certain independence criteria, set forth in the Companies Law. Pursuant to regulations promulgated under the Companies Law, companies with shares traded on certain U.S. stock exchanges, including the Nasdaq, which do not have a

"controlling shareholder," may, subject to certain conditions, "opt out" from the Companies Law requirements to appoint external directors and related Companies Law rules concerning the composition of the audit committee and compensation committee of the board of directors. In accordance with these regulations, we have elected to "opt out" from the Companies Law requirement to appoint external directors and related Companies Law rules concerning the composition of the audit committee and compensation committee of the Board.

Committees of the Board

The Board 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, the committees shall not be empowered to further delegate such powers. The composition and duties of our audit committee, and compensation committee are described below.

Audit Committee

Companies Law Requirements

Under the Companies Law, the board of directors of a public company must appoint an audit committee. The audit committee must be comprised of at least three directors. We have elected to opt out from the Companies Law requirements to appoint external directors and related Companies Law rules concerning the composition of the audit committee and compensation committee. See "*Management — Corporate Governance Practices.*"

Listing Requirements

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

Upon the closing of this offering, our audit committee will consist of Ezriel Jesse Klein, Danny Allouche and Alexander Babitsky. Danny Allouche will serve as the chairperson of the audit committee. All members of our audit committee meet the requirements for financial literacy under the applicable rules and regulations of the SEC and the corporate governance rules of the Nasdaq. The Board has determined that Danny Allouche is an audit committee financial expert as defined by the SEC rules and has the requisite financial experience as defined by the corporate governance rules of the Nasdaq.

The Board has determined that each member of our audit committee is "independent" as such term is defined in Rule 10A-3(b)(1) under the Exchange Act, which is different from the general test for independence of board and committee members.

Audit Committee Role

The Board has adopted an audit committee charter setting forth the responsibilities of the audit committee, which are consistent with the Companies Law, the SEC rules and the corporate governance rules of the Nasdaq, which include:

- retaining and terminating our independent auditors, subject to ratification by the Board, and in the case of retention, to ratification by the shareholders;
- pre-approving audit and non-audit services to be provided by the independent auditors and related fees and terms;
- overseeing the accounting and financial reporting processes of our company and audits of our financial statements, the effectiveness of our internal control over financial reporting and making such reports as may be required of an audit committee under the rules and regulations promulgated under the Exchange Act;
- reviewing with management and our independent auditor our annual and quarterly financial statements prior to publication or filing with (or furnishing to, as the case may be) the SEC;

- recommending to the Board the retention and termination of the internal auditor, and the internal auditor's engagement fees and terms, in accordance with the Companies Law;
- reviewing with our general counsel and/or external counsel, as deemed necessary, legal and regulatory matters that could have a material impact on the financial statements;
- identifying irregularities in our business administration, inter alia, by consulting with the internal auditor or with the independent auditor, and suggesting corrective measures to the Board;
- reviewing policies and procedures with respect to transactions (other than transactions related to the compensation or terms of services) between the company and directors and officers or their affiliates, or transactions that are not in the ordinary course of the company's business and deciding whether to approve such acts and transactions if so required under the Companies Law;
- establishing procedures for the handling of employees' complaints as to the management of our business and the protection to be provided to such employees;
- evaluating the yearly or periodic work plan proposed by the internal auditor before submission to the Board for approval and propose changes thereto, or approving the work plan; and
- determining whether certain related-party transactions are "material" or "extraordinary" for the purpose of the requisite approval procedures under the Companies Law and whether certain transactions with a controlling shareholder must be subject to a competitive procedure.

Compensation Committee

Companies Law Requirements

Under the Companies Law, the board of directors of a public company must appoint a compensation committee. The compensation committee must be comprised of at least three directors. We have elected to opt out from the Companies Law requirements to appoint external directors and related Companies Law rules concerning the composition of the audit committee and compensation committee. See "*Management — Corporate Governance Practices.*"

Listing Requirements

Under the corporate governance rules of the Nasdaq, we are required to maintain a compensation committee consisting of at least two independent directors.

Our compensation committee consists of Michael Donnelly, Danny Allouche and Ezriel Jesse Klein. Ezriel Jesse Klein serves as chairperson of the compensation committee. The Board has determined that each member of our compensation committee is independent under the corporate governance rules of the Nasdaq, including the additional independence requirements applicable to the members of a compensation committee.

Compensation Committee Role

In accordance with the Companies Law, the roles of the compensation committee are, among others, as follows:

- making recommendations to the Board with respect to the approval of the compensation policy for office holders and, once every three years, regarding any extensions to a compensation policy that was adopted for a period of more than three years;
- reviewing the implementation of the compensation policy and periodically making recommendations to the Board with respect to any amendments or updates to the compensation policy;
- resolving whether or not to approve arrangements with respect to the terms of office and employment of office holders; and
- exempting, under certain circumstances, a transaction with our chief executive officer from the approval of our shareholders.

An "office holder" is defined in the Companies Law as a chief executive officer (referred to in the Companies Law as a general manager), chief business manager, deputy chief executive officer, vice chief executive officer, any other person assuming the responsibilities of any of these positions regardless of that person's title, any other manager directly subordinate to the chief executive officer and a director.

The Board has adopted a compensation committee charter setting forth the responsibilities of the compensation committee, which are consistent with the Companies Law and the corporate governance rules of the Nasdaq and include among others:

- recommending to the Board for its approval a compensation policy in accordance with the requirements of the Companies Law, as well as other compensation policies, incentive-based compensation plans and equity-based compensation plans, and overseeing the development and implementation of such policies and recommending to the Board any amendments or modifications to such policies the committee deems appropriate, including as required under the Companies Law;
- reviewing and approving the granting of options and/or other incentive awards to our chief executive officer and other executive officers, including reviewing and approving corporate goals and objectives relevant to the compensation of our chief executive officer and other executive officers;
- approving and exempting certain transactions regarding office holders' compensation pursuant to the Companies Law; and
- administering our equity-based compensation plans, including without limitation, approving the adoption of such plans, amending and interpreting such plans and the awards and agreements issued pursuant thereto, and making awards to eligible persons under the plans and determining the terms of such awards.

Compensation Policy under the Companies Law

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

- such majority includes at least a majority of the shares held by shareholders who are not controlling shareholders and shareholders who do not have a personal interest in such compensation policy; or
- the total number of shares of non-controlling shareholders and shareholders who do not have a personal interest in the compensation policy that are voted against the policy does not exceed 2% of the aggregate voting rights in the company.

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

If a company that initially offers its securities to the public, like us, adopts a compensation policy in advance of its initial public offering, and describes it in its prospectus for such offering, then such compensation policy shall be deemed a validly adopted policy in accordance with the Companies Law requirements described above. Furthermore, if the compensation policy is established in accordance with the aforementioned relief, then it will remain in effect for a term of five years from the date such company becomes a public company.

The compensation policy must be based on certain considerations, include certain provisions and reference certain matters as set forth in the Companies Law.

The compensation policy must serve as the basis for decisions concerning the financial terms of employment or engagement of office holders, including exculpation, insurance, indemnification or any monetary payment or obligation of payment in respect of employment or engagement. The compensation policy must be determined and

later re-evaluated according to certain factors, including: the advancement of the company's objectives, business plan and long-term strategy; the creation of appropriate incentives for office holders, while considering, among other things, the company's risk management policy; the size and the nature of the company's operations; and with respect to variable compensation, the contribution of the office holder towards the achievement of the company's long-term goals and the maximization of its profits, all with a long-term objective and according to the position of the office holder. The compensation policy must furthermore consider the following additional factors:

- the education, skills, experience, expertise and accomplishments of the relevant office holder;
- the office holder's position and responsibilities
- prior compensation agreements with the office holder;
- the ratio between the cost of the terms of employment of an office holder and the cost of the employment of other employees of the company, including employees employed through contractors who provide services to the company, in particular the ratio between such cost to the average and median salary of such employees of the company, as well as the impact of disparities between them on the work relationships in the company;
- if the terms of employment include variable components — the possibility of reducing variable components at the discretion of the Board and the possibility of setting a limit on the value of non-cash variable equity-based components; and
- if the terms of employment include severance compensation — the term of employment or office of the office holder, the terms of the office holder's compensation during such period, the company's performance during such period, the office holder's individual contribution to the achievement of the company goals and the maximization of its profits and the circumstances under which he or she is leaving the company.

The compensation policy must also include, among other things:

- with regards to variable components:
  - with the exception of office holders who report to the chief executive officer, a means of determining the variable components on the basis of long-term performance and measurable criteria; provided that the company may determine that an immaterial part of the variable components of the compensation package of an office holder shall be awarded based on non-measurable criteria, or if such amount is not higher than three months' salary per annum, taking into account such office holder's contribution to the company;
  - the ratio between variable and fixed components, as well as the limit of the values of variable components at the time of their payment, or in the case of equity-based compensation, at the time of grant.
- a condition under which the office holder will return to the company, according to conditions to be set forth in the compensation policy, any amounts paid as part of the office holder's terms of employment, if such amounts were paid based on information later to be discovered to be wrong, and such information was restated in the company's financial statements;
- the minimum holding or vesting period of variable equity-based components to be set in the terms of office or employment, as applicable, while taking into consideration long-term incentives; and
- a limit to retirement grants.

Our compensation policy, which will become effective upon the closing of this offering, is designed to promote retention and motivation of directors and executive officers, incentivize superior individual excellence, align the interests of our directors and executive officers with our long-term performance and provide a risk management tool. To that end, a portion of our executive officer compensation package is targeted to reflect our short- and long-term goals, as well as the executive officer's individual performance. 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 officers' individual characteristics (such as their respective position, education, scope of responsibilities and contribution to the attainment of our goals) as the basis for compensation variation among our executive officers and considers the internal ratios between compensation of our executive officers and directors and other employees. Pursuant to our compensation policy, the compensation that may be granted to an executive officer may include: base salary, annual bonuses and other cash bonuses (such as a signing bonus and special bonuses with respect to any special achievements, such as outstanding personal achievement, outstanding personal effort or outstanding company performance), equity-based compensation, benefits and retirement and termination of service arrangements. All cash bonuses are limited to a maximum amount linked to the executive officer's base salary. In addition, the total variable compensation components (such as cash bonuses) may not exceed a multiple of the executive officer's total compensation package with respect to any given calendar year.

An annual cash bonus may be awarded to executive officers upon the attainment of pre-set periodic objectives and individual targets. The annual cash bonus that may be granted to our executive officers other than our chief executive officer will be based on performance objectives and a discretionary evaluation of the executive officer's overall performance by our chief executive officer and subject to minimum thresholds. The annual cash bonus that may be granted to executive officers other than our chief executive officer may alternatively be based entirely on a discretionary evaluation. Furthermore, our chief executive officer will be entitled to approve performance objectives for executive officers who report to him or her.

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

The equity-based compensation under our compensation policy for our executive officers (including members of the Board) is designed in a manner consistent with the underlying objectives in determining the base salary and the annual cash bonus, with its main objectives being to enhance the alignment between the executive officers' interests with our long-term interests and those of our shareholders and to strengthen the retention and the motivation of executive officers in the long term.

Our compensation policy provides for executive officer compensation in the form of share options or other equity-based awards, such as restricted shares and restricted share units, in accordance with our equity incentive plan then in place. All equity-based incentives 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 may 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 allow us under certain conditions to recover bonuses paid in excess, enables our chief executive officer to approve an immaterial change to the terms of employment of an executive officer who reports directly to him or her (provided that the changes of the terms of employment are in accordance with our compensation policy) and allows us to exculpate, indemnify and insure our executive officers and directors to the maximum extent permitted by Israeli law.

Our compensation policy also provides for compensation to the members of the Board in accordance with the amounts determined in our compensation policy.

Our compensation policy, which will become effective upon the closing of this offering, will be filed as an exhibit to the registration statement of which this prospectus forms a part.

Internal Auditor

Under the Companies Law, the board of directors of a public company must appoint an internal auditor based on the recommendation of the audit committee. The role of the internal auditor is, among other things, to examine whether a company's actions comply with applicable law and orderly business procedure. Under the Companies

Law, the internal auditor cannot be an interested party or an office holder or a relative of an interested party or an office holder, nor may the internal auditor be the company's independent auditor or its representative. An "interested party" is defined in the Companies Law as: (i) a holder of 5% or more of the issued share capital or voting power in a company, (ii) any person or entity who has the right to designate one or more directors or to designate the Chief Executive Officer of the company, or (iii) any person who serves as a director or as a Chief Executive Officer of the company. We have not yet appointed our internal auditor, but we intend to appoint an internal auditor following the closing of this offering.

Code of Conduct

Following the closing of this offering, the Board intends to adopt a written code of conduct that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A copy of the code will be posted on our website.

Risk Management

One of the key functions of the Board is informed oversight of our risk management process. The Board does not have a standing risk management committee, but rather administers this oversight function directly through the Board as a whole, as well as through various standing committees of the Board that address risks inherent in their respective areas of oversight. In particular, the Board is responsible for monitoring and assessing strategic and regulatory risk exposure, including monitoring the Company's compliance with cybersecurity and data protection rules and regulations, approving the Company's budget after considering various risks such as risks associated with supply chain, suppliers and key service providers, if any. Our Board receives periodic reporting on cybersecurity and other business operational risks.

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, in light of the circumstances, to obtain:

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

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 or her duties in the company and the performance of his or her 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 him or herself 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 or her position as an office holder.

Under the Companies Law, a company may approve an act specified above which would otherwise constitute a breach of an office holder's duty of loyalty, provided that the office holder acted in good faith, neither the act nor its approval harms the company and the office holder discloses his or her personal interest a sufficient time before the approval of such act. Any such approval is subject to the terms of the Companies Law setting forth, among other things, the appropriate bodies of the company required to provide such approval.

Exculpation, Insurance and Indemnification of Office Holders

Under the Companies Law, a company may not exculpate an office holder from liability for a breach of the duty of loyalty. An Israeli company may exculpate an office holder in advance from liability, in whole or in part, for damages caused as a result of a breach of duty of care but only if a provision authorizing such exculpation is included in its articles of association.

An Israeli company may not exculpate a director from liability arising out of a prohibited dividend or other distribution to shareholders. An Israeli company may indemnify an office holder in respect of the following liabilities and expenses incurred for acts performed as an office holder, either in advance of an event or following an event, provided that a provision authorizing such indemnification is contained in its articles of association:

- a financial liability imposed on him or her in favor of another person pursuant to a judgment, including a settlement or arbitrator's award approved by a court. However, if an undertaking to indemnify an office holder with respect to such liability is provided in advance, then such an undertaking must be limited to events which, in the opinion of the board of directors, can be foreseen based on the company's activities when the undertaking to indemnify is given, and to an amount or according to criteria determined by the board of directors as reasonable under the circumstances, and such undertaking shall detail the abovementioned events and amount or criteria;
- reasonable litigation expenses, including legal fees, incurred by the office holder (1) as a result of an investigation or proceeding instituted against him or her by an authority authorized to conduct such investigation or proceeding, *provided* that (i) no indictment was filed against such office holder as a result of such investigation or proceeding; and (ii) no financial liability, such as a criminal penalty, was imposed upon him or her as a substitute for the criminal proceeding as a result of such investigation or proceeding or, if such financial liability was imposed, it was imposed with respect to an offense that does not require proof of criminal intent; and (2) in connection with a monetary sanction;
- reasonable litigation expenses, including legal fees, incurred by the office holder or imposed by a court in proceedings instituted against him or her by the company, on its behalf or by a third party or in connection with criminal proceedings in which the office holder was acquitted or as a result of a conviction for an offense that does not require proof of criminal intent; and
- expenses, including reasonable litigation expenses and legal fees, incurred by an office holder in relation to an administrative proceeding instituted against such office holder, or certain compensation payments made to an injured party imposed on an office holder by an administrative proceeding, pursuant to certain provisions of the Israeli Securities Law and the Israeli Economic Competition Law, 5748-1988, or, the Competition Law.

An Israeli company may insure an office holder against the following liabilities incurred for acts performed as an office holder if and to the extent provided in the company's articles of association:

- a breach of the duty of loyalty to the company, to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the company;
- a breach of the duty of care to the company or to a third party, including a breach arising out of the negligent conduct of the office holder;
- financial liabilities imposed on the office holder in favor of a third party;
- financial liabilities imposed in an administrative proceeding on the office holder in favor of a third party harmed by a breach, pursuant to certain provisions of the Israeli Securities Law and the Competition Law; and
- expenses, including reasonable litigation expenses and legal fees, incurred by the office holder as a result of an administrative proceeding instituted against him or her, pursuant to certain provisions of the Israeli Securities Law and the Competition Law.

An Israeli company may not indemnify, insure or exculpate an office holder against any of the following:

- a breach of the duty of loyalty, except to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the company;
- a breach of the duty of care committed intentionally or recklessly, excluding a breach arising out of the negligent conduct of the office holder;
- an act or omission committed with intent to derive illegal personal benefit; or
- a fine, monetary sanction or forfeit levied against the office holder.

Under the Companies Law, exculpation, indemnification and insurance of office holders must be approved by the compensation committee and the board of directors (and, with respect to directors and the chief executive officer, also by the shareholders). However, regulations promulgated under the Companies Law allow the insurance of office holders without shareholder approval and it may be approved by only the compensation committee, if the engagement terms are determined in accordance with the company's stated compensation policy, which was approved by the shareholders by the same special majority required to approve a compensation policy, provided that the insurance policy is on market terms and is not likely to materially impact the company's profitability, assets or liabilities.

The Amended Articles allow us to exculpate, indemnify and insure our office holders for any act (including any omission) performed by virtue of being an office holder to the fullest extent permitted by law. Our office holders are currently covered by a directors and officers' liability insurance policy. We intend to purchase additional insurance coverage prior to the consummation of this offering.

We have entered into agreements with each of our directors and other office holders exculpating them in advance, to the fullest extent permitted by law, from liability to us for damages caused to us as a result of a breach of the duty of care, and undertaking to indemnify them to the fullest extent permitted by law.

There is no pending litigation or proceeding against any of our office holders as to which indemnification is being sought, nor are we aware of any pending or threatened litigation that may result in claims for indemnification by any office holder.

In the opinion of the SEC, indemnification of directors and office holders for liabilities arising under the Securities Act, however, is against public policy and therefore unenforceable.

Approval of Related Party Transactions under Israeli Law

Office Holders

The Companies Law requires that an office holder promptly disclose to the company and, in any event, not later than the board meeting at which the transaction is first discussed, any personal interest that such office holder may have and all related material information known to such office holder concerning any existing or proposed transaction of the company (unless it is with respect to a transaction which is not an extraordinary transaction in which the officer holder's relative has a personal interest as discussed below). A personal interest includes an interest of any person in an act or transaction of a company, including a personal interest of one's relative or of a corporate body in which such person or a relative of such person is a 5% or greater shareholder, director or general manager or in which such person has the right to appoint at least one director or the general manager, but excluding a personal interest stemming solely from one's ownership of shares in the company. A personal interest also includes the personal interest of a proxy holder voting shares even if the proxy giver does not have a personal interest in the matter and the personal interest of the proxy giver, whether or not the person voting the shares has discretion.

If it is determined that an office holder has a personal interest in a non-extraordinary transaction, meaning a transaction that is in the ordinary course of business, on market terms and that is not likely to have a material impact on the company's profitability, assets or liabilities, approval by the board of directors is required for the transaction, unless the company's articles of association provide for a different method of approval. Any such transaction that is adverse to the company's interests may not be approved by the board of directors.

Approval by the company's audit committee and subsequently by the board of directors is required for an extraordinary transaction (meaning a transaction that is not in the ordinary course of business, not on market terms or that is likely to have a material impact on the company's profitability, assets or liabilities) in which an office holder has a personal interest.

A director and any other office holder who has a personal interest in a transaction which is considered at a meeting of the board of directors or the audit committee generally may not (unless it is with respect to a transaction which is not an extraordinary transaction) be present at such a meeting or vote on that matter unless a majority of the directors or members of the audit committee, as applicable, have a personal interest in the matter. If a majority of the members of the audit committee or the board of directors have a personal interest in the matter, then all of the directors may participate in deliberations of the audit committee or board of directors, as applicable, with respect to such transaction and vote on the approval thereof. In such case, shareholder approval is also required.

Controlling Shareholders

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 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 at a shareholders' meeting. In addition, the shareholder approval must fulfill one of the following requirements:

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

In addition, an 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, other than for the provision of services or concerning the terms of engagement or compensation, can be approved for a longer term, provided that the audit committee determines that such longer term is reasonable under the circumstances.

For these purposes, a controlling shareholder is any shareholder that has the ability to direct the company's actions, including any shareholder holding 25% or more of the voting rights if no other shareholder owns more than 50% of the voting rights in the company. Two or more shareholders with a personal interest in the approval of the same transaction are deemed to be one shareholder for these purposes.

For a description of the approvals required under Israeli law for compensation arrangements of office holders, see the section titled "*Approval of the Compensation of Office Holders.*"

Pursuant to regulations promulgated under the Companies Law, certain transactions, including with respect to compensation, with a controlling shareholder or his or her relative, or with directors or other office holders, that would otherwise require approval of a company's shareholders may be exempt from shareholder approval under certain conditions.

Approval of the Compensation of Office Holders

Directors. Under the Companies Law, the compensation of a public company's directors requires the approval of the compensation committee, the subsequent approval of the board of directors and, unless exempted under regulations promulgated under the Companies Law, the approval of the shareholders at a general meeting.

If the compensation of directors is inconsistent with the company's stated compensation policy, then those provisions that must be included in the compensation policy according to the Companies Law must have been considered by the compensation committee and board of directors, and shareholder approval will also be required, provided that:

- at least a majority of the shares held by shareholders who are not controlling shareholders and do not have a personal interest in such matter, present and voting on such matter, are voted in favor of the compensation package, excluding abstentions; or
- the total number of shares of non-controlling shareholders and shareholders who do not have a personal interest in such matter that are voted against the compensation package does not exceed 2% of the aggregate voting rights in the company.

Executive officers other than the chief executive officer. The Companies Law requires the approval of the compensation of a public company's executive officers (office holders, other than the chief executive officer and directors) of (i) the compensation committee, (ii) the board of directors, and (iii) if such compensation arrangement is inconsistent with the company's stated compensation policy, the company's shareholders (by a special majority vote as discussed above with respect to the approval of director compensation), provided that the compensation committee and the board of directors members have considered the criteria for determining compensation set forth in the compensation policy. However, in special circumstances, if the shareholders of the company do not approve a compensation arrangement with such 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 after re-evaluation of the transaction in light of the shareholders' objection.

An amendment to an existing arrangement with an office holder (who is not a director) requires only the approval of the compensation committee, if the compensation committee determines that the amendment is not material in comparison to the existing arrangement. However, according to regulations promulgated under the Companies Law, an amendment to an existing arrangement with an office holder (who is not a director) who is subordinate to the chief executive officer shall not require the approval of the compensation committee, if (i) the amendment is approved by the chief executive officer, (ii) the company's compensation policy provides that a non-material amendment to the terms of service of an office holder (other than the chief executive officer) may be approved by the chief executive officer and (iii) the engagement terms are consistent with the company's compensation policy.

Chief executive officer. Under the Companies Law, the compensation of a public company's chief executive officer is required to be approved by: (i) the company's compensation committee; (ii) the company's board of directors, and (iii) the company's shareholders (by a special majority vote as discussed above with respect to the approval of director compensation). 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 provide detailed reasons for their decision after re-evaluation of the transaction in light of the shareholders' objection. The approval of each of the compensation committee and the board of directors should be in accordance with the company's stated compensation policy; however, in special circumstances, they may approve compensation terms of a chief executive officer that are inconsistent with such policy provided that they have considered those provisions that must be included in the compensation policy according to the Companies Law and that shareholder approval was obtained (by a special majority vote as discussed above with respect to the approval of director compensation).

The compensation committee may waive the shareholder approval requirement with regard to the compensation of a candidate for the chief executive officer position if the compensation committee determines that: (i) the compensation arrangement is consistent with the company's compensation policy, (ii) the chief executive officer candidate did not have, on the date of his appointment or during the two-year period preceding his or her appointment, an "affiliation" (including an employment relationship, a business or professional relationship or control) with the company or a controlling shareholder of the company or a relative thereof and (iii) subjecting the approval of the engagement to a shareholder vote would impede the company's ability to employ the chief executive officer candidate.

Duties of Shareholders

Under the Companies Law, a shareholder has a duty to refrain from abusing his or her power in the company and to act in good faith and in a customary manner in exercising his or her rights and performing his or her 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:

- an amendment to the articles of association;
- an increase in the authorized share capital;
- a merger; and
- the approval of related-party transactions that require shareholder approval.

A shareholder also has a general duty to refrain from discriminating against other shareholders.

Certain shareholders also have a duty of fairness toward the company. These shareholders include any controlling shareholder, any shareholder who knows that he or she has the power to determine the outcome of a shareholder vote and any shareholder who has the power to appoint or prevent the appointment of an office holder of the company or exercise any other rights available to him or her under the company's articles of association with respect to the company. The Companies Law does not define the substance of the duty of fairness, except to state that the remedies generally available upon a breach of contract will also apply in the event of a breach of the duty of fairness.

Equity Incentive Plans

2016 Share Award Plan

The Gauzy Ltd. 2016 Share Award Plan, or the 2016 Plan, was adopted by the Board on May 15, 2016. The 2016 Plan provides for the grant of equity awards to our, or our affiliates', employees, officers, directors, advisors, consultants and other eligible service providers. The purpose of the 2016 Plan is to attract and retain the best available personnel for positions of substantial responsibility, providing additional incentive to employees, officers, advisors and consultants and promoting a close identity of interests between those individuals and us and our affiliates.

Administration

The Board or compensation committee administers the 2016 Plan, or the Administrator. Under the 2016 Plan, the Administrator has the authority, subject to applicable law, to interpret the terms of the 2016 Plan and any award agreements or awards granted thereunder, designate recipients of awards, determine and amend the terms of awards, including the exercise price of an option award, the fair market value of an ordinary share, accelerate or amend the vesting schedule applicable to an award, prescribe the forms of agreement for use under the 2016 Plan and take all other actions and make all other determinations deemed necessary or advisable for the administration of the 2016 Plan.

Eligibility and Participation

The Administrator selects the individuals who will participate in the 2016 Plan. Eligibility to participate is open to officers, directors, employees of, and consultants or advisors engaged by, us or our affiliates.

Types of Awards

The 2016 Plan enables the grant of options, shares and other awards, including restricted shares, restricted share units, share appreciation rights, performance shares and other share or cash awards as the Administrator may determine.

The 2016 Plan further provides for granting awards in compliance with Section 102 and Section 3(i) of the Israeli Income Tax Ordinance (New Version), 5721-1961, as amended, or ITO. Section 102 of the ITO, or Section 102, allows employees, directors and officers who are not controlling shareholders and who are considered Israeli residents for tax purposes to receive favorable tax treatment for compensation in the form of shares, options or

certain other types of equity awards, subject to certain terms and conditions. Our non-employee consultants, service providers and controlling shareholders who are considered Israeli residents for tax purposes may be granted awards under Section 3(i) and certain other sections of the ITO, which do not provide for similar tax benefits. Section 102 includes two alternatives for tax treatment involving the issuance of awards to a trustee for the benefit of the grantees and also includes an additional alternative for the issuance of awards directly to the grantee. We have elected the "capital gain track" pursuant to Section 102(b)(2) or 102(b)(3) of the ITO for grants to eligible Israeli grantees as provided above, which may allow favorable tax treatment for such grantees.

Authorized Shares

As of the date of this prospectus, there are 394,927 ordinary shares reserved and available for issuance under the 2016 Plan. The maximum number of shares which may be granted under the 2016 Plan shall be determined by the Board from time to time. Ordinary shares subject to options granted under the 2016 Plan that expire or become un-exercisable without having been exercised in full will become available again for future grant under the 2016 Plan.

Grants

All awards granted pursuant to the 2016 Plan are evidenced by a notice of grant, in a form approved by the Administrator. The notice of grant will set forth the terms and conditions of the award grant. Each award will expire 10 years from the date of the grant thereof, unless a shorter term of expiration is otherwise designated by the Administrator.

Exercise

An option under the 2016 Plan may be exercised by providing us with a written or electronic notice of exercise and full payment of the exercise price for such shares with respect to which the option is exercised, in such form and method as may be determined by the Administrator and permitted by applicable law, and any other deliverable as may be stipulated in the option agreement.

Transferability

Other than by will, the laws of descent and distribution or as otherwise provided under the 2016 Plan, neither the awards nor any right in connection therewith are assignable or transferable.

Termination of Employment or Services

In the event of termination of a participant's employment or service with us or any of our affiliates for any reason other than (i) for "cause" (as defined in the 2016 Plan) or (ii) due to such participant's death or disability, all vested and exercisable options held by such participant as of the date of termination may be exercised within three months after such date of termination, unless otherwise provided by the Administrator, but in no event later than the date of expiration of the option as set forth in the award agreement (and, after such period, all unexercised options will terminate and the shares covered by such options shall again be available for issuance under the 2016 Plan). On the date of termination, all unvested options shall expire and the shares covered by such options shall revert to the 2016 Plan. Awards other than options which are unvested and/or the restrictions on which have not lapsed at the time of such termination shall expire and revert to the 2016 Plan.

In the event of termination of a participant's employment or service with us or any of our affiliates due to such participant's death or disability, all vested and exercisable options held by such participant as of the date of termination may be exercised by the participant, the participant's legal guardian, the participant's estate, or by a person who acquired the right to exercise the option by bequest or inheritance, as applicable, within 12 months after such date of termination, but in no event later than the date of expiration of the option as set forth in the award agreement. Any options which are unvested as of the date of death or disability or which are vested but not then exercised within the 12-month period following such date, will expire and the shares covered by such options will revert to the 2016 Plan. All awards granted to such participant, other than options, which are unvested and/or the restrictions on which have not lapsed at the time of such termination shall expire and revert to the 2016 Plan.

Notwithstanding any of the foregoing, if a participant's employment or services with us or our affiliates is terminated for "cause," all outstanding awards granted to such participant (whether vested or unvested) will terminate on the date of such termination and revert to the 2016 Plan.

In the event that a participant does not comply in full with any non-competition, non-solicitation, confidentiality or any other requirement of any agreement between us or our affiliates and the participant, the Administrator may refuse to allow the exercise of the options and the shares covered by such options shall again be available for issuance under the 2016 Plan.

Adjustments

In the event of a share split, reverse share split, share dividend, recapitalization, combination or reclassification of the shares, rights issuances or any other increase or decrease in the number of issued shares effected without receipt of consideration by us (but not including the conversion of any of our convertible securities), the Administrator may make an appropriate adjustment in the number of shares related to each outstanding award, the number of shares reserved for issuance under the 2016 Plan and the exercise price per share of each outstanding option, provided, however, that any fractional shares resulting from such adjustment shall be rounded down to the nearest whole share, unless otherwise determined by the Administrator. Except as expressly provided herein, no issuance by us of shares of any class, or securities convertible into shares of any class, shall affect an award granted to a participant, and no adjustment by reason thereof shall be made with respect to the number or price of shares subject to an award.

Dissolution or Liquidation

In the event of our dissolution or liquidation, the Administrator shall determine the period of time in which a vested and exercisable option may be exercised, which, in no event, is less than 15 days prior to such transaction. Options that were not previously exercised will expire immediately prior to the consummation of such proposed action.

Merger or Acquisition

In the event of a sale of all or substantially all of our assets or shares, or a merger, acquisition, reorganization or other like transaction of us with or into another corporation where we are not the surviving company, or a scheme of arrangement for the purpose of effecting such sale, merger or other transaction, the Board shall have discretion to (i) cause any outstanding awards to be assumed or an equivalent award substituted by the successor company or one of its affiliates, (ii) in the event such awards are not assumed or substituted for, provide the participant the right to exercise the vested award as to all or part of the shares, including discretion to accelerate vesting of unvested awards and provide for cancellation of unvested awards upon closing of the transaction, and/or provide for cancellation of each outstanding award in exchange for payment for each vested share (by cash and/or securities), as determined by the Board, or (iii) provide that upon or prior to the completion of the transaction that the terms of any award will be otherwise amended, modified or terminated and/or that the award will confer the right to receive any other security or asset, including cash, as the Board shall deem to be appropriate.

Amendment and Termination

The Board may terminate, amend or modify the 2016 Plan at any time. The 2016 Plan is scheduled to expire on May 15, 2026, which is 10 years after its adoption by the Board, however, the 2016 Plan will continue to govern the terms and conditions of the outstanding awards previously granted under the 2016 Plan.

PRINCIPAL SHAREHOLDERS

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as of May 28, 2024 by:

- each person or entity known by us to own beneficially 5% or more of our outstanding ordinary shares;
- each of our directors and executive officers individually; and
- all of our directors and executive officers as a group.

The beneficial ownership of our ordinary shares is determined in accordance with the rules of the SEC and generally includes any shares over which a person exercises sole or shared voting or investment power, or the right to receive the economic benefit of ownership. For purposes of the table below, we deem ordinary shares issuable pursuant to options that are currently exercisable or exercisable within 60 days of May 28, 2024 to be outstanding and to be beneficially owned by the person holding the options for the purposes of computing the percentage ownership of that person, but we do not treat them as outstanding for the purpose of computing the percentage ownership of any other person. Percentage of shares beneficially owned before this offering is based on 14,513,272 ordinary shares issued and outstanding as of May 28, 2024. Percentage of shares beneficially owned after this offering is based on the number of ordinary shares deemed issued and outstanding after this offering is based on 18,679,939 ordinary shares (based on shares issued and outstanding as of May 28, 2024), which includes the ordinary shares offered hereby but assumes no exercise of the underwriters' option to purchase additional shares in this offering.

As of May 28, 2024 and based on their reported registered office, 10 of our shareholders were U.S. persons, holding in aggregate approximately 40.7% of our outstanding ordinary shares immediately prior to this offering. We have also set forth below information known to us regarding any significant change in the percentage ownership of our ordinary shares by any major shareholders during the past three years. Except where otherwise indicated, we believe, based on information furnished to us by such owners, that the beneficial owners of the ordinary shares listed below have sole investment and voting power with respect to such shares.

Following the closing of this offering, all of our shareholders, including the shareholders listed below, will have the same voting rights attached to their ordinary shares, and neither our principal shareholders nor our directors and executive officers will have different or special voting rights with respect to their ordinary shares. See "*Description of Share Capital — Rights Attached to Shares*" A description of any material relationship that our principal shareholders have had with us or any of our predecessors or affiliates within the past three years is included under "Certain Relationships and Related Party Transactions."

Unless otherwise noted below, the address of each shareholder, director and executive officer is c/o Gauzy Ltd., 14 Hathiya Street, Tel Aviv 6816914, Israel.

Name of beneficial owner	Ordinary shares beneficially owned	Percentage of ordinary shares beneficially owned	
		Before offering	After offering
5% or Greater Shareholders			
Entities affiliated with Ibex Partners, LLC[(1)]	3,527,545	23.7%	18.8%
Olive Tree V Limited Partnership[(2)]	1,318,180	9.1%	7.1%
Infinity Holding Ventures PTE. Limited[(3)]	1,401,910	9.3%	7.5%
Avery Dennison Israel Ltd.[(4)]	869,728	6.0%	4.7%
Blue-Red Capital Fund L.P.[(5)]	933,635	6.3%	5.0%
Directors and Executive Officers			
Eyal Peso[(6)]	870,683	5.8%	4.6%
Adrian Lofer[(7)]	339,153	2.3%	1.8%
Meir Peleg[(8)]	42,266	*%	*%
Dudi Baruch[(9)]	14,459	*%	*%
Brittany Kleiman Swisa[(10)]	19,319	*%	*%
Hadas Talmi Mahler[(11)]	17,756	*%	*%
Michael Donnelly	—	—	—
Gal Gitter	—	—	—
Alexander Babitsky[(12)]	27,183	*%	*%
Danny Allouche	—	—	—
Ezriel Jesse Klein[(13)]	4,895	*%	*%
All directors and executive officers as a group (11 persons)	1,335,714	8.8%	7.1%

* Indicates ownership of less than 1%

(1) Consists of (A) (i) 2,198,333 ordinary shares, (ii) options to purchase 9,791 ordinary shares that are currently exercisable or will be exercisable within 60 days from the date of this prospectus, (iii) 200,541 ordinary shares issuable upon the conversion of warrants to purchase series D-1 preferred shares that are currently exercisable or will be exercisable within 60 days from the date of this prospectus and (iv) 257,430 ordinary shares issuable upon the conversion of the 2020 Convertible Loan Agreement upon the consummation of this offering, each held by Ibex Israel Fund LLLP ("Ibex Israel"), (B) 488,326 ordinary shares held by Ibex Partners (Gauzy) LP ("Ibex Gauzy") and (C) 373,122 ordinary shares held by Ibex Partners (MW) LLLP ("Ibex MW"). Does not include options to purchase 3,266 ordinary shares held by Ibex Israel that are subject to a vesting schedule that will be accelerated and become immediately exercisable upon the closing of this offering. To the best of our knowledge, Ibex Israel, Ibex Gauzy and Ibex MW are managed by an investment committee from Ibex Investors LLC. As such, Ibex Investors LLC may be deemed to have voting and investment control over the shares held by Ibex Israel, Ibex Gauzy and Ibex MW. The address of the principal office of Ibex Investors LLC is 260 N. Josephine 3rd Floor, Denver, CO 80206.

(2) Consists of (i) 1,276,039 ordinary shares, (ii) options to purchase 4,895 ordinary shares that are currently exercisable or will be exercisable within 60 days from the date of this prospectus and (iii) 37,245 ordinary shares issuable upon the conversion of warrants to purchase series D-1 preferred shares that are currently exercisable or will be exercisable within 60 days from the date of this prospectus. Does not include options to purchase 1,633 ordinary shares that are subject to a vesting schedule that will be accelerated and become immediately exercisable upon the closing of this offering. To the best of our knowledge, Olive Tree V Limited Partnership is managed by an investment committee from Olive Tree Ventures. As such, Olive Tree Ventures may be deemed to have voting and investment control over the shares held by Olive Tree V Limited Partnership. The address of the principal office of Olive Tree V Limited Partnership is 121 Menachem Begin Rd., 61st Floor, Tel Aviv, Israel.

(3) Consists of (A) (i) 833,153 ordinary shares, (ii) options to purchase 3,916 ordinary shares that are currently exercisable or will be exercisable within 60 days from the date of this prospectus, (iii) 23,006 ordinary shares issuable upon the conversion of warrants to purchase series D-1 preferred shares that are currently exercisable or will be exercisable within 60 days from the date of this prospectus and (iv) 541,834 ordinary shares issuable upon the conversion of the 2020 Convertible Loan Agreement upon the consummation of this offering, each held by Infinity Holding Ventures

PTE. Limited and (B) 39,030 ordinary shares held by Waarde Capital B.V., which is an affiliate of Infinity Holding Ventures PTE. Limited. Does not include options to purchase 1,308 ordinary shares held by Infinity Holding Ventures PTE. Limited that are subject to a vesting schedule that will be accelerated and become immediately exercisable upon the closing of this offering. To the best of our knowledge, Infinity Holding Ventures PTE. Limited, is managed by its ultimate beneficial owners, Maxim Rubin, Ays Sharaev Boris Pokrovskiy and Alexei Prudnikov. As such, Mr. Rubin, Mr. Sharaev Mr. Pokrovskiy and Mr. Prudnikov may be deemed to have voting and investment control over the shares held by Infinity Holding Ventures PTE. Limited. The address of the principal office of Infinity Holding Ventures PTE. Limited is 53 Eastwood Drive, Singapore 486145.

(4) Consists of (i) 790,079 ordinary shares, (ii) options to purchase 4,895 ordinary shares that are currently exercisable or will be exercisable within 60 days from the date of this prospectus, (iii) 10,457 ordinary shares issuable upon the conversion of warrants to purchase series D-1 preferred shares that are currently exercisable or will be exercisable within 60 days from the date of this prospectus and (iv) 64,296 ordinary shares issuable upon the conversion of the 2020 Convertible Loan Agreement upon the consummation of this offering. Does not include options to purchase 1,633 ordinary shares that are subject to a vesting schedule that will be accelerated and become immediately exercisable upon the closing of this offering. Avery Dennison Israel Ltd. is a subsidiary of Avery Dennison Corp, a public company with its common stock listed on the New York Stock Exchange. To the best of our knowledge, Avery Dennison Corp may be deemed to have sole power to vote or dispose of the shares held by Avery Dennison Israel Ltd. The principal business address for Avery Dennison Israel Ltd. is Kibbutz Hanita, 2288500, Israel.

(5) Consists of (i) 546,313 ordinary shares, (ii) warrants to purchase 61,437 ordinary shares that are currently exercisable or will be exercisable within 60 days from the date of this prospectus, and (iii) 325,884 ordinary shares issuable upon the conversion of the 2020 Convertible Loan Agreement upon the consummation of this offering. To the best of our knowledge, Blue-Red Capital Fund L.P. is managed by an investment committee from Blue-Red Partners PTE Ltd. As such, Blue-Red Partners PTE Ltd. may be deemed to have voting and investment control over the shares held by Blue-Red Capital Fund L.P. The address of the principal office of Olive Tree V Limited Partnership is 780 3 rd Ave #4400, New York, NY 10017.

(6) Consists of (i) 368,244 ordinary shares, and (ii) options to purchase 502,439 ordinary shares that are currently exercisable or will be exercisable within 60 days from the date of this prospectus.

(7) Consists of (i) 326,806 ordinary shares, and (ii) options to purchase 12,347 ordinary shares that are currently exercisable or will be exercisable within 60 days from the date of this prospectus.

(8) Consists of options to purchase 42,266 ordinary shares that are currently exercisable or will be exercisable within 60 days from the date of this prospectus.

(9) Consists of options to purchase 14,459 ordinary shares that are currently exercisable or will be exercisable within 60 days from the date of this prospectus.

(10) Consists of (i) 1,229 ordinary shares, and (ii) options to purchase 18,090 ordinary shares that are currently exercisable or will be exercisable within 60 days from the date of this prospectus.

(11) Consists of options to purchase 17,756 ordinary shares that are currently exercisable or will be exercisable within 60 days from the date of this prospectus.

(12) Consists of (i) 26,209 ordinary shares, and (ii) options to purchase 974 ordinary shares that are currently exercisable or will be exercisable within 60 days from the date of this prospectus. Does not include options to purchase 329 ordinary shares that will be accelerated and become immediately exercisable upon the closing of this offering.

(13) Consists of options to purchase 4,895 ordinary shares that are currently exercisable or will be exercisable within 60 days from the date of this prospectus. Does not include options to purchase 1,633 ordinary shares that are subject to a vesting schedule that will be accelerated and become immediately exercisable upon the closing of this offering.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Agreements with Directors and Officers

Employment Agreements

We have entered into written employment agreements with each of our executive officers. See "*Management — Agreements with Executive Officers.*"

The employment agreements with our executive officers provide for notice periods of varying duration for termination of the agreement by us or by the relevant executive officer, during which time the executive officer will continue to receive salary and benefits. Such notice periods ordinarily require 30 days advance notice, and in some cases 60 or 90 days. However, our employment agreements with each of Eyal Peso, our chief executive officer, and Adrian Lofer, our chief technology officer, provide for longer advance notice periods, each of 180 days (subject to our right, at our election, to reduce such notice period and pay for the remainder of the period in lieu of notice).

Options

Since our inception, we have granted our executive officers and certain of our directors options to purchase our ordinary shares. The terms of such awards may contain acceleration provisions upon certain transactions. See "*Management — Equity Incentive Plans*."

Exculpation, Indemnification and Insurance

The Amended Articles permit us to exculpate, indemnify and insure our office holders to the fullest extent permitted by the Companies Law. We have entered into agreements with each of our directors and executive officers, exculpating them in advance from a breach of their duty of care to the fullest extent permitted by law and undertaking to indemnify them to the fullest extent permitted by law, including with respect to liabilities resulting from this offering, to the extent that these liabilities are not covered by insurance. See "*Management — Exculpation, Insurance and Indemnification of Office Holders.*"

Equity and Other Financings

November 2023 Note Purchase Agreement

In November 2023, we entered into the Note Purchase Agreement with Vision Lite, as the issuer, Gauzy Ltd., Gauzy USA Inc. and Gauzy GmbH, as the guarantors and the Note Purchaser, as purchaser, administrative agent and collateral agent. The sole beneficial owner of the Note Purchaser is a former member of our board of directors. Under the Note Purchase Agreement, the Note Purchaser extended a credit facility to Vision Lite, which is a $60.0 million commitment, that may be utilized and drawn down by way of issuance and sale of the 2023 Notes by an issuer to the Note Purchaser. As of the date of this prospectus, Vision Lite is the sole issuer, but Vision Lite may designate additional issuers pursuant to the Note Purchase Agreement. As of the date of this prospectus, $25.0 million of the Commitment has been utilized and drawn down. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Indebtedness — November 2023 Note Purchase Agreement*" for more information.

Secondary Transactions

In September 2019, certain of our shareholders sold an aggregate of 342,934 of our ordinary shares at a purchase price of $7.365 per share, for an aggregate purchase price of approximately $2.5 million to Blue-Red Capital Fund & Affiliates.

In October 2020, Adrian Lofer, our chief technology officer, transferred 29,388 of our series B preferred shares to Blue-Red Capital Fund & Affiliates at a purchase price of $7.681 per share in connection with the settlement of a loan between them.

In February 2024, our chief executive officer, chief technology officer and certain other members of our executive management collectively sold in a privately negotiated transaction a number of ordinary shares representing less than 10% of their personal collective holdings to a number of our existing shareholders for an aggregate purchase price of approximately $3 million. All of the shares purchased and sold in this transaction are

restricted securities and are not being registered pursuant to this prospectus and are subject to lock-up agreements with the underwriters of this offering that restrict the holders' ability to transfer these shares for a period of 180 days from the date of this prospectus.

Preferred Equity Financings

Series C Preferred Share Financing

From September 2020 through January 2021, we sold an aggregate of 1,161,893 of our series C preferred shares at a purchase price of $15.320 per share, for an aggregate purchase price of approximately $17.8 million. Our series C preferred shares will automatically convert into ordinary shares immediately prior to the closing of this offering.

The following table summarizes the series C preferred shares purchased by an affiliate of a member of the Board and/or holders of 5% or more of our outstanding share capital as of the date of this prospectus.

Shareholder	Series C Convertible Preferred Shares	Total Purchase Price ($)
South Lake One LLC[1]	652,757	10,000,000
Blue-Red Capital Fund & Affiliates[2]	130,550	2,000,000
Infinity Holding Ventures PTE. Limited[3]	195,825	3,000,000
Avery Dennison Israel Ltd[4]	52,216	800,000

(1) South Lake One LLC is a holder of 5% or more of our share capital.
(2) Blue-Red Capital Fund & Affiliates is a holder of 5% or more of our share capital. Mr. Ezriel Jesse Klein is the managing partner of Blue-Red Capital Fund, and a member of the Board. Blue-Red Capital Fund & Affiliates includes Blue-Red Capital Fund Holdings Limited and Blue-Red Capital Fund L.P.
(3) Infinity Holding ventures PTE. Limited is a holder of 5% or more of our share capital. Mr. Alexander Babitsky was a Venture Partner at Waarde Capital B.V., which is an affiliate of Infinity Holding Ventures PTE. Limited, and Mr. Babitsky is a member of the Board.
(4) Avery Dennison Israel Ltd. is a holder of 5% or more of our share capital. Mr. Danny Allouche is the Senior Vice President and Chief Strategy and Corporate Development Officer at Avery Dennison Israel Ltd., and a member of the Board.

Series D Preferred Share Financing

From January 2022 through March 2023, we sold an aggregate of 1,661,245 of our series D preferred shares at a purchase price of $31.08 per share, for an aggregate purchase price of approximately $51.6 million. Our series D preferred shares will automatically convert into ordinary shares immediately prior to the closing of this offering.

From January 2022 through March 2023, we issued warrants to purchase an aggregate of 1,079,809of our series D-1 preferred shares to various investors in connection with the purchase of our series D preferred shares. The warrants were issued with an exercise price equal to $34.19 per share.

The following table summarizes the series D preferred shares purchased by an affiliate of a member of the Board and/or holders of 5% or more of our outstanding share capital as of the date of this prospectus.

Shareholder	Series D Convertible Preferred Shares	Total Purchase Price ($)
Ibex Israel Fund LLLP[1]	299,587	9,310,501
Blue-Red Capital Fund & Affiliates	43,439	1,350,000
Olive Tree V Limited Partnership	57,301	1,780,812
Infinity Holding Ventures PTE. Limited	35,395	1,100,000
Bensille International Limited	123,880	3,850,000
Chutzpah Holdings Limited	51,483	1,600,000

(1) Ibex Israel Fund LLLP is a holder of 5% or more of our share capital. Mr. Michael Donnelly is a partner at Ibex Israel Fund LLLP and Gal Gitter is a partner and managing director at Ibex Israel Fund LLLP, and members of the Board.

SAFE Financings

Series B Preferred SAFE

In November 2018, we entered into Simple Agreement for Future Equity agreements, or the Series B Preferred SAFE Financing, with investors, or the Series B Preferred SAFE Investors, pursuant to which we obtained funding, including during 2019, in the aggregate amount of approximately $2,500,000 in exchange for our agreement to issue to the Series B Preferred SAFE Investors convertible preferred shares through a share-settled redemption of the amount invested at a price discounted to the price paid by other investors upon the occurrence of a subsequent equity financing.

The following table summarizes parties related to us that participated in the Series B Preferred SAFE Financing:

Shareholder	Series B Convertible Preferred Shares	Total Investment Amount ($)
Eyal Peso	33,190	248,906.80
Adrian Lofer	29,388	220,390,70
Ibex Partners (Gauzy) LP[1]	43,913	329,318.20
Ibex Israel Fund LLLP	85,144	638,517.20
Ibex Partners (MW) LLLP[2]	33,550	251,606.90
Infinity Holding Ventures PTE. Limited	29,695	222,695.70
Alexander Babitsky[3]	7,367	55,254.08
Olive Tree V Limited Partnership	71,115	533,310.50

(1) Related party of Ibex Israel Fund LLLP
(2) Related party of Ibex Israel Fund LLLP
(3) Mr. Alexander Babitsky, was a Venture Partner at Waarde Capital B.V., which is an affiliate of Infinity Holding Ventures PTE. Limited, and Mr. Babitsky is a member of the Board. Infinity Holding Ventures PTE. Limited is a holder of 5% or more of our share capital.

In November 2019, we issued 333,366 Series B preferred shares to the Series B Preferred SAFE Investors pursuant to the Simple Agreement for Future Equity agreements entered into as part of the Series B Preferred SAFE Financing.

Series C Preferred SAFE

In March 2019, we entered into Simple Agreement for Future Equity agreements, or the Series C Preferred SAFE Financing, with an investor, or the Series C Preferred SAFE Investor, pursuant to which we obtained funding for an aggregate of $1 million in exchange for our agreement to issue to the Series C Preferred SAFE Investor convertible preferred shares through a share-settled redemption of the amount invested at a price discounted to the price paid by other investors upon the occurrence of a subsequent equity financing.

In connection with the issuance of the series C preferred shares in September 2020, we issued 14,862 series C preferred shares to the Series C Preferred SAFE Investor pursuant to the Simple Agreement for Future Equity agreement entered into as part of the Series C Preferred SAFE Financing.

Additional Series C Preferred SAFE

In March 2020, we entered into a Simple Agreement for Future Equity agreement, or the Additional Series C Preferred SAFE Financing, with an investor, or the Additional Series C Preferred SAFE Investor, pursuant to which we obtained funding in an aggregate amount of $900,000 in exchange for our agreement to issue to the Additional Series C Preferred SAFE Investor convertible preferred shares through a share-settled redemption of the amount invested at a price discounted to the price paid by other investors upon the occurrence of a subsequent equity financing.

In connection with the issuance of the series C preferred shares in September 2020, we issued 58,746 series C preferred shares and, in April 2021, we issued 3,943 series C preferred shares to the Additional Series C Preferred SAFE Investor pursuant to the Simple Agreement for Future Equity agreement entered into as part of the Additional Series C Preferred SAFE Financing.

Series D Preferred SAFE

In September 2021, we entered into Simple Agreement for Future Equity agreements, or the Series D Preferred SAFE Financing, with investors, or the Series D Preferred SAFE Investors, pursuant to which we obtained funding in an aggregate amount of $3,000,000 in exchange for our agreement to issue to the Series D Preferred SAFE Investors convertible preferred shares through a share-settled redemption of the amount invested at a price discounted to the price paid by other investors upon occurrence of a subsequent equity financing.

The following table summarizes persons related to us that participated in the Series D Preferred SAFE Financing:

Shareholder	Series D Convertible Preferred Shares	Total Investment Amount ($)
Ibex Israel Fund LLLP	31,965	1,000,000
South Lake One LLC	31,965	1,000,000
Olive Tree V Limited Partnership	15,982	500,000
Avery Dennison Israel Ltd.	15,982	500,000

In connection with the issuance of the series D preferred shares in January 2022, we issued 95,901 series D preferred shares pursuant to the Simple Agreement for Future Equity agreements entered into as part of the Series D Preferred SAFE Financing. In connection with the Series D Preferred SAFE Financing, we also issued warrants to purchase 62,337 series D-1 preferred shares.

Convertible Loan Agreements

From January 2020 through March 2020, we entered into convertible loan agreements with lenders pursuant to which we obtained funding in the aggregate amount of $5,550,000, or the 2020 Convertible Loan Agreements Financing. Pursuant to the terms of the convertible loan agreements, at the discretion of the lenders, the loan is repayable in cash or shall be converted into shares of our most senior class of preferred shares at the time of conversion. In addition, we issued to the applicable lender warrants to purchase shares of our most senior class of preferred shares (i.e., our series C preferred shares) at the time of repayment with an exercise price equal to $10.72 per share, provided that the loan is repaid in cash. Under the CLA Amendment, such warrants are immediately exercisable until the earlier of (i) the second anniversary of the repayment of the loan or the conversion thereof in accordance with the terms of the 2020 Convertible Loan Agreements, as amended; and (ii) immediately prior to, and subject to the closing of, an IPO or a SPAC Transaction (as defined in our amended and restated articles of association immediately in effect prior to this offering).

In connection with the CLA Amendment, each of the two remaining CLA Lenders received additional warrants to purchase an aggregate of 3,895 of our series D preferred shares exercisable at a price per share equal to $136.46. The additional warrants are exercisable until the earlier of (i) the closing of an IPO or a SPAC Transaction (as defined in our articles of association in effect prior to this offering) or (ii) the 10th anniversary of the repayment of the loan or conversion thereof.

The following table summarizes persons related to us that participated in the 2020 Convertible Loan Agreements Financing:

Shareholder	Series C Convertible Preferred Shares	Total Investment Amount ($)
Avery Dennison Israel Ltd.	15,008	200,000
Blue-Red Capital Fund & Affiliates		2,000,000
Ibex Israel Fund LLLP		350,000

In connection with the issuance of the series C preferred shares in September 2020 and in January 2021, a portion of the loans made under the 2020 Convertible Loan Agreements Financing was converted into an aggregate of 232,033 series C preferred shares.

In March 2023, we entered into the 2023 Convertible Loan Agreement with several lenders pursuant to which the lenders loaned us a sum of $38.9 million. The 2023 Convertible Loan Agreement was issued with warrants to purchase shares of the most senior class of our shares existing immediately prior to the exercise of such warrant and bear 12% annual interest, which shall be due and payable upon repayment or upon the conversion of the lender's loan amount into the 2023 CLA Shares upon the occurrence of the following events: (i) an IPO (as defined in the 2023 Convertible Loan Agreement), (ii) a Deemed Liquidation (as defined in the 2023 Convertible Loan Agreement), (iii) a Qualified Financing (as defined in the 2023 Convertible Loan Agreement), (iv) an optional conversion, including in the event of a repayment of the loan amount, at the lender's election or (v) at the lender's election if not earlier converted prior to the third anniversary of the disbursement date of the loan proceeds with respect to such lender. The 2023 CLA Shares shall be a newly created series of our preferred equity having such rights and privileges as our then most recently authorized series of preferred equity with the additional rights as set forth in the 2023 Convertible Loan Agreement. In March 2024, we entered into an amendment to the 2023 Convertible Loan Agreement pursuant to which the maximum loan amount was raised to $40,000,000 and the Board was given authority under certain circumstances to determine that certain lenders qualify as Significant Lenders and/or Overallotment Lenders (as such terms are defined in the 2023 Convertible Loan Agreement and the warrants issued thereunder).

The following table summarizes persons related to us that participated in the 2023 Convertible Loan Agreement Financing:

Shareholder	Total Investment Amount ($)
Ibex Israel Fund LLLP	2,500,000
Blue-Red Capital Fund & Affiliates	1,092,836
Infinity Holding Ventures PTE. Limited[(1)]	7,700,000
Avery Dennison Israel Ltd.	700,000

(1) The Total Investment Amount includes $5,700,000 invested by Waarde Capital B.V., which is an affiliate of Infinity Holding Ventures PTE. Limited.

Distribution Agreement

In December 2014, and as amended in September 2017, February 2021 and September 2022, we entered into an exclusive joint product agreement, or the JPA, with Avery Dennison Israel Ltd., or ADI. According to the JPA, ADI has the exclusive right to manufacture for us products based on the PDLC technology that are retrofitted onto glass, worldwide, or the Retrofitted Products, as well as an exclusive right to distribute and sell the Retrofitted Products to certain specific third parties and the exclusive right to manufacture and sell the wet application Retrofitted Products, worldwide. SPD film and PDLC film for embedded and laminated glass products are specifically excluded from the exclusivity right. In addition, we may not engage with any other manufacturer to produce the Retrofitted Products and may not sell or distribute the Retrofitted Products to certain specified third parties other than through or in cooperation with ADI.

Rights of Appointment Pre-IPO

The Board currently consists of seven directors. Pursuant to our articles of association in effect prior to this offering, certain of our shareholders, including our related parties, had rights to appoint members of the Board. See "*Management — Arrangements for Election of Directors and Members of Management*"

All rights to appoint directors and observers under our articles of association in effect prior to this officer will terminate upon the closing of this offering, although currently serving directors that were appointed prior to this offering will continue to serve pursuant to their appointment until the annual general meeting of our shareholders at which the term of their class of director expires. The right of the Note Purchaser to appoint one non-voting observer to the Board under the Note Purchase Agreement shall continue to be in effect until the repayment of the 2023 Notes. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Indebtedness — November 2023 Note Purchase Agreement*" for more information.

Investors' Rights Agreement

Pursuant to our amended and restated investor's rights agreement, or IRA, dated May15, 2024, among other things, certain holders of our share capital, including entities affiliated with Ibex Israel Fund LLLP, Olive Tree V Limited Partnership, Infinity Holding Ventures PTE, Avery Dennison Israel Ltd., Blue-Red Capital Fund and South Lake One LLC, have the right to demand that we file a registration statement or request that their ordinary shares be included in a registration statement that we are otherwise filing. See the section titled "*Registration Rights*" below for more information regarding these registration rights.

Registration Rights

Following this offering, certain of our shareholders or their transferees will be entitled to certain rights with respect to registration of their ordinary shares under the Securities Act. These rights are provided under the terms of the IRA, and include incidental (piggyback) registration rights, demand registration rights and Form F-3 registration rights. Each shareholder entitled to registration rights may assign its rights under the IRA to any transferee or assignee of all or part of the ordinary shares held by such shareholder, subject to certain conditions. The registration of ordinary shares by the exercise of registration rights described below would enable the holders to sell these shares without restriction under the Securities Act when the applicable registration statement is declared effective.

In any registration made pursuant to the IRA, all reasonable fees, costs and expenses of underwritten registrations will be borne by us (subject to certain limitations, as specified in the IRA) and all underwriters' discounts and commissions in respect of the sale of shares shall be borne by the holders of the shares being registered. Additionally, we have agreed to indemnify selling shareholders for damages, and any legal or other expenses reasonably incurred, arising from or based upon any untrue statement of a material fact contained in any registration statement, an omission or alleged omission to state a material fact required to be made in any registration statement or necessary to make the statements therein not misleading, or any violation or alleged violation by us of securities laws, subject to certain exceptions.

The registration rights terminate five years following the completion of this offering.

Incidental (Piggyback) Registration Rights

Under the terms of the IRA, if we register any of our securities under the Securities Act for public sale (other than in a registration described below under "*Demand Registration Rights*" or "*Form F-3 Registration Rights*"), certain holders of our ordinary shares that we expect will hold approximately 20% of our ordinary shares on a fully diluted basis as of the closing of this offering will have the right to include their ordinary shares in the registration statement. However, this right does not apply to a registration relating solely to employee benefit plans or a registration relating to an SEC Rule 145 transaction on Form F-4 or similar forms. The underwriters of any underwritten offering will have the right to limit the number of shares registered by these holders if they determine in good faith that marketing factors require limitation, in which case the number of shares to be registered will be reduced, first, to the holders of the 'preferred registerable shares' (as defined in the IRA) pro rata among these holders, according to the total amount of securities entitled to be included by each such holder (provided that the number of shares to be registered by these holders cannot be reduced below 25% of the total shares covered by the registration statement) and, second to other holders of our ordinary shares as specified in the IRA. The number of occurrences of registrations under such right is unlimited.

Demand Registration Rights

Under the terms of the IRA, at any time (i) beginning six months following the closing of this offering, or (ii) following the closing of this offering and prior to the passage of six months following the closing of this offering, subject to the lock-up restrictions imposed by the underwriters in connection with this offering (which restrictions may be waived by the underwriters), we will be required, upon the written request of holders of a majority of the 'preferred registerable shares' (as defined in the IRA) that are entitled to registration rights under the IRA, to register, as soon as practicable, all or a portion of these shares for public resale, if the aggregate price to the public of the shares offered is at least $5 million. We expect that the holders of the 'preferred registerable shares' will hold approximately 23.27% of our ordinary shares on a fully diluted basis as of the closing of this offering. We are only required to file two registration statements that are declared effective upon exercise of these demand registration rights. We may postpone the filing of a registration statement once for up to 90 days in a 12-month period if the Board determines that the filing would be seriously detrimental to us. We are not required to effect a demand registration under certain additional circumstances specified in the IRA.

Form F-3 Registration Rights

Under the terms of the IRA, following the completion of this offering, certain holders of our ordinary shares that we expect will hold approximately 20% of our ordinary shares on a fully diluted basis as of the closing of this offering will be entitled to Form F-3 registration rights. The holders having such registration rights can request that we register all or part of their shares on Form F-3 if we are eligible to file a registration statement on Form F-3 and if the aggregate price to the public of the shares offered is at least $2 million. We are only required to file two registration statements pursuant to the exercise of these Form F-3 registration rights in any 12-month period. We may postpone the filing of a registration statement on Form F-3 no more than once during any 12-month period, for a period of not more than 90 days, if the Board determines that the filing would be seriously detrimental to us. We are not required to effect a registration on Form F-3 under certain additional circumstances specified in the IRA.

Agreements with Research Frontiers Incorporated

In September 2018, we entered into a subscription agreement with RFI, or the 2018 Subscription Agreement, pursuant to which we purchased 1,086,956 shares of common stock of RFI at a price of $0.92 per share, for an aggregate subscription price of $1,000,000. For each two shares purchased, we received a warrant to purchase one share of common stock in RFI. All of such warrants issued under the 2018 Subscription Agreement were exercised as of May 2019 on a cashless basis.

Separately, in May 2019, we entered into another subscription agreement with RFI, or the 2019 Subscription Agreement, pursuant to which we purchased 724,638 shares of common stock of RFI at a price of $1.38 per share, for a total subscription price of $1,000,000. For each two shares purchased under the 2019 Subscription Agreement, we received a warrant to purchase one share of common stock in RFI, or total warrants to purchase 362,319 shares, all of which are currently outstanding.

As a result of our investments, we currently beneficially own 1,838,824shares of RFI, which according to the Proxy Statement filed by RFI on April 28, 2023, represents 5.5% of RFI's common stock.

In addition, each of Gauzy Ltd. and Vision Systems has entered into a license agreement with RFI. For more information regarding the license agreements, see "*Business — Intellectual Property — Licenses with Research Frontiers, Inc.*"

DESCRIPTION OF SHARE CAPITAL

The following descriptions of our share capital and provisions of the Amended Articles are summaries and do not purport to be complete. A form of the Amended Articles will be filed with the SEC as an exhibit to our registration statement of which this prospectus forms a part. The description of the ordinary shares reflects changes to our capital structure that will occur upon the closing of this offering.

Share Capital

As of May 14, 2024, we had 17,865,497 authorized ordinary shares, par value NIS 0.23, of which 2,308,142 ordinary shares were issued and outstanding as of such date. Under the Amended Articles, which will come into effect upon the closing of this offering, our registered share capital will consist of 49,200,191 ordinary shares, no par value, of which 18,515,675 shares will be issued and outstanding. 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 preemptive rights. All ordinary shares have identical voting and other rights in all respects.

Warrants

From August 2020 through December 2021, we issued warrants to purchase up to an aggregate of 45,740 of our most senior preferred shares existing as of a date determined pursuant to the terms thereof to lenders in connection with a number of loan agreements. The warrants are exercisable for eight years from their date of issuance, and will be exercisable into 45,740 ordinary shares following the closing of this offering, if not exercised prior to the closing of this offering.

From January 2022 through September 2022, we issued warrants to purchase an aggregate of up to 1,217,455 of our series D-1 preferred shares which are exercisable for five years from their date of issuance, and will be exercisable into up to 1,217,455 ordinary shares following the closing of this offering, if not exercised prior to the closing of this offering.

Under the CLA Amendment, the warrants we issued in connection with the 2020 Convertible Loan Agreements to the two remaining CLA Lenders provides for the purchase of an aggregate 17,103 of our series D preferred shares which are exercisable until the earlier of (i) the second anniversary of the repayment of the loan or the conversion thereof in accordance with the terms of the 2020 Convertible Loan Agreements; and (ii) immediately prior to, and subject to the closing of, an IPO or a SPAC Transaction (as defined in our amended and restated articles of association immediately in effect prior to this offering).

In connection with the 2023 Convertible Loan Agreement we issued warrants to purchase up to an aggregate of 1,876,575 of the most senior class of our shares existing immediately prior to the exercise of such warrants which are exercisable for five years from the date of the conversion or repayment of the lender's loan amount, and will be exercisable into 1,876,575 ordinary shares following the closing of this offering, In connection with the closing of the this offering, we expect 469,143 ordinary shares to be issued upon the exercise of such warrants.

In connection with the Note Purchase Agreement, we issued (i) D-5 Warrants to purchase 686,401 series D-5 preferred shares and (ii) D-6 Warrants to purchase 274,559 series D-6 preferred shares. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Indebtedness — November 2023 Note Purchase Agreement*," for additional information regarding these warrants.

In connection with the 2024 Note Purchase Agreement and 2024 NPA Amendment, we issued the 2024 Note Purchaser Warrants to purchase up to 682,282 series D-5 preferred shares of the Company (and from and after this offering, such number of ordinary shares of the Company that the aforementioned number of preferred D-5 shares would have converted into upon the consummation of this offering if issued prior to this offering). See "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Indebtedness — OIC 2024 Note Purchase Agreement*," for additional information regarding these warrants.

Preferred Shares

Upon the closing of this offering, other than as described below with respect to our series D preferred shares and series D-1 preferred shares, all of our redeemable convertible preferred shares outstanding will automatically convert into an aggregate of ordinary shares on a one-to-one basis, and will have no further preferences, privileges or priority rights of any kind. Following the closing of this offering, no preferred shares will be authorized under the Amended Articles.

Upon the closing of this offering, all of our outstanding redeemable convertible series D preferred shares (including all sub-classes) will automatically convert into an aggregate of ordinary shares.

Registration Number and Purposes of the Company

We are registered with the Israeli Registrar of Companies. Our registration number is 514335967. Our affairs are governed by our amended and restated articles of association, the Companies Law and other applicable Israeli law. Our purpose as set forth in the Amended Articles is to engage in any lawful act or activity.

The Powers of the Directors

The Board shall direct our policy and shall supervise the performance of our Chief Executive Officer and his or her actions. The Board may exercise all powers that are not required under the Companies Law or under our amended and restated articles of association to be exercised or taken by our shareholders.

Rights Attached to Shares

Our ordinary shares confer upon the holders thereof:

- equal rights to attend and to vote at all of our general meetings, whether annual or special, with each ordinary share entitling the holder thereof, which attends the meeting and participates in the voting, either in person or by proxy, to one vote;
- equal rights to participate in the 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.

Dividend and distribution rights may be affected by the grant of preferential dividend or distribution rights to the holders of a class of shares with preferential rights that may be authorized in the future.

Dividend and Liquidation Rights

We may declare a dividend to be paid to the holders of our ordinary shares in proportion to their respective shareholdings. Under the Companies Law, dividend distributions are determined by the board of directors and do not require the approval of the shareholders of a company unless the company's articles of association provide otherwise. The Amended Articles do not require shareholder approval of a dividend distribution and provide that dividend distributions may be determined by the Board.

Pursuant to the Companies Law, the distribution amount is limited to the greater of retained earnings or earnings generated over the previous two years, according to our then last reviewed or audited financial statements (less the amount of previously distributed dividends, if not already reduced from the earnings), provided that the end of the period to which the financial statements relate is not more than six months prior to the date of the distribution. If we do not meet such criteria, then we may distribute dividends only with court approval. In each case, we are only permitted to distribute a dividend if the Board and, if applicable, the court, determines that there is no reasonable concern that payment of the dividend will prevent us from satisfying our existing and foreseeable obligations as they become due.

In the event of our liquidation, after satisfaction of liabilities to creditors, our assets legally available for distribution will be distributed to the holders of our ordinary shares in proportion to their shareholdings. This right, as well as the right to receive dividends, may be affected by the grant of preferential dividend or distribution rights to the holders of a class of shares with preferential rights that may be authorized in the future.

Election of Directors

Under the Companies Law and the Amended Articles, our business and affairs will be managed under the direction of the Board. The Board may exercise all powers and may take all actions that are not specifically granted to our shareholders or to executive management. Our chief executive officer (referred to as a "general manager" under the Companies Law) is responsible for our day-to-day management. Our chief executive officer is appointed by, and serves at the discretion of, the Board, subject to the employment agreement that we have entered into with him or her. All other executive officers are appointed by the chief executive officer, subject to applicable corporate approvals, and are subject to the terms of any applicable employment or consulting agreements that we may enter into with them.

Under the Amended Articles, the number of directors on the Board is determined by the Board and will be no less than three and no more than 11 directors and, other than external directors, if any, are divided into three classes with staggered three-year terms. Each class of directors consists, as nearly as possible, of one-third of the total number of directors constituting the entire board of directors. At each annual general meeting of our shareholders, the election or re-election of directors following the expiration of the term of office of the directors of that class of directors will be for a term of office that expires on the third annual general meeting following such election or re-election, such that from the annual general meeting of 2025 and after, each year the term of office of only one class of directors will expire.

Upon the closing of this offering, our directors will be divided among the three classes as follows:

- the Class I directors are Gal Gitter and Alexander Babitsky, and their terms will expire at our annual general meeting of shareholders to be held in 2025;
- the Class II directors, are Michael Donnelly and Ezriel Jesse Klein, and their terms will expire at our annual meeting of shareholders to be held in 2026; and
- the Class III directors will be Eyal Peso and Danny Allouche, and their term will expire at our annual meeting of shareholders to be held in 2027.

Our directors are appointed by a simple majority vote of holders of our ordinary shares, participating and voting at an annual general meeting of our shareholders, provided that (i) in the event of a contested election, the method of calculation of the votes and the manner in which the resolutions will be presented to our shareholders at the annual general meeting shall be determined by the Board in its discretion, and (ii) in the event that the Board does not or is unable to make a determination on such matter, then the directors will be elected by a plurality of the voting power represented at the annual general meeting in person or by proxy and voting on the election of directors (which means that the nominees receiving the largest number of "for" votes (up to the number of board seats being filled in such election) will be elected, provided that in the event of a tie, nominees proposed by the Board shall be given precedence over alternative nominees). In addition, our directors are divided into three classes, one class being elected each year at the annual general meeting of our shareholders, and serve on the Board until the third annual general meeting following such election or re-election or until they are removed at a general meeting of our shareholders in accordance with the Amended Articles or upon the occurrence of certain events in accordance with the Companies Law and the Amended Articles. In addition, the Amended Articles provide that vacancies on the Board may be filled by a vote of a simple majority of the directors then in office. A director so appointed will hold office until the next annual general meeting of our shareholders for the election of the class of directors in respect of which the vacancy was created, or in the case of a vacancy due to the number of directors being less than the maximum number of directors stated in the Amended Articles, until the next annual general meeting of our shareholders for the election of the class of directors to which such director was assigned by the Board. Under the Amended Articles, the approval of the holders of at least 55% of the total voting power of our shareholders is generally required to remove any of our directors from office and any amendment to this provision shall require the approval of at least 55% of the total voting power of our shareholders.

Shareholder Meetings

Under 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 the Board, but 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. Under Israeli law, as a company whose shares are listed for trading on an exchange outside of Israel, the Board may call special meetings upon the written request of (i) two or more of our directors, (ii) one-quarter or more of the serving members of the Board or (iii) one or more shareholders holding, in the aggregate, either (a) 10% or more of our outstanding issued shares and 1% or more of our outstanding voting rights or (b) 10% or more of our outstanding voting rights.

Under Israeli law, one or more shareholders holding at least 1% of the voting rights in a company may request that the board of directors include a matter in the agenda of a general meeting of shareholders to be convened in the future (or, with respect to a company whose shares are listed for trade on an exchange outside of Israel, 5% if the matter is the appointment or removal of a director), provided that it is appropriate to discuss such a matter at the general meeting. The Amended Articles contain procedural guidelines and disclosure items with respect to the submission of shareholder proposals for general meetings.

Subject to the provisions of the Companies Law and the regulations promulgated thereunder, shareholders entitled to participate and vote at general meetings of shareholders are the shareholders of record on a date to be decided by the Board, which as a company listed on an exchange outside Israel, may be between four and 60 days prior to the date of the meeting. Under Israeli law, resolutions regarding the following matters must be passed at a general meeting of shareholders:

- amendments to the company's articles of association;
- the exercise of the board of director's powers by a general meeting if the board of directors is unable to exercise its powers and the exercise of any of its powers is required for the proper management of the company;
- appointment, fees or termination of the auditors, if the shareholders have not delegated their authority to set the fees for the auditors to the board of directors;
- appointment of external directors, if applicable;
- approval of related-party transactions requiring general meeting approval pursuant to the provisions of the Companies Law;
- increases or reductions of the company's authorized share capital; and
- a merger (as such term is defined in the Companies Law).

Notices

The Companies Law requires that a notice of any annual or special shareholders meeting be generally provided at least 21 days prior to the meeting, and if the agenda of the meeting includes, among others, the appointment or removal of directors, the approval of certain related-party transactions or an approval of a merger, notice must be provided at least 35 days prior to the meeting. Under the Companies Law and the Amended Articles, shareholders are not permitted to take action by way of written consent in lieu of a meeting.

Quorum

Pursuant to the Amended Articles, holders of our ordinary shares have one vote for each ordinary share held on all matters submitted to a vote before the shareholders at a general meeting of shareholders. The quorum required for our general meetings of shareholders consists of at least two shareholders present in person or by proxy who hold or represent at least 33⅓% of the total voting power of our ordinary shares, provided, however, if any general meeting of shareholders was initiated by and convened pursuant to a resolution adopted by the board of directors, then the requisite quorum will consist of two or more shareholders, present in person or by proxy, who hold or represent at least 25% of the total voting power of our ordinary shares (for so long as such 25% quorum is permitted under stock exchange rules and regulations applicable to us, and if not so permitted, then the above 33⅓% quorum

shall apply). The requisite quorum shall be present within half an hour of the time fixed for the commencement of the general meeting. A general meeting adjourned for lack of a quorum shall be adjourned either to the same day in the next week, at the same time and place, to such day and at such time and place as indicated in the notice to such meeting, or to such day and at such time and place as the chairperson of the meeting shall determine; provided that in the case of a meeting called at the request of serving members of the Board or shareholders, as described above, or by an Israeli court, the meeting shall be canceled if a quorum is not present. At a reconvened meeting, subject to applicable law and stock exchange rules and regulations, any number of shareholders present in person or by proxy shall constitute a quorum.

If a special general meeting was called at the request of a shareholder, and within half an hour of an adjourned meeting a legal quorum is not present, the meeting shall be cancelled.

Adoption of Resolutions

The Amended Articles provide that all resolutions of our shareholders require a simple majority vote, unless otherwise required under the Companies Law or the Amended Articles, or the Nasdaq rules, to the extent applicable. A shareholder may vote in a general meeting in person or by proxy.

Under the Companies Law, certain actions require the approval of a special majority vote, including: (i) an extraordinary transaction with a controlling shareholder or in which a controlling shareholder has a personal interest, (ii) the terms of employment or other engagement of a controlling shareholder with our company or a controlling shareholder's relative (even if such terms are not extraordinary) and (iii) certain compensation-related matters described above under "Management — Approval of Related Party Transactions under Israeli Law."

Under the Amended Articles, the approval of the holders of at least 55% of the total voting power of our shareholders is generally required to remove any of our directors from office, to amend the provision relating to dismissal or removal of any of our directors from office, or certain other provisions regarding our staggered board, shareholder proposals, special approval requirements, director vacancies, the size of our board and plurality voting. Another exception to the simple majority vote requirement is a resolution for the voluntary winding up, or an approval of a scheme of arrangement or reorganization, of our company pursuant to Section 350 of the Companies Law, which requires the approval of holders holding at least 75% of the voting rights represented at the meeting and voting on the resolution.

Changing Rights Attached to Shares

Under the Amended Articles, the rights, privileges or preferences of any class of our shares may be modified or cancelled by the Company.

An increase in the authorized share capital, the creation of a new class of shares, an increase in the authorized share capital of a class of shares, or the issuance of additional shares thereof out of the authorized and unissued share capital, shall not be deemed to modify or derogate or cancel 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 Shares in Our Company

Our fully paid-up ordinary shares are issued in registered form and may be freely transferred under the Amended Articles, unless the transfer is restricted or prohibited by another instrument, applicable law or the rules of the Nasdaq. The ownership or voting of our ordinary shares by non-residents of Israel is not restricted in any way by the Amended Articles or the laws of the State of Israel, except for ownership by nationals of some countries that are, have been, or will be, in a state of war with Israel.

Acquisitions under Israeli Law

Merger

The Companies Law includes provisions that govern a merger transaction. Under the Companies Law, the board of directors of each company that is a party to the merger must approve the merger and, unless certain requirements described under the Companies Law are met, a simple majority of the outstanding shares of each party to the merger that are represented and voting on the merger must approve the merger, and, in the case of the target company, also a majority

of each class of its shares. Pursuant to the Companies Law, the board of directors of a merging company is required to discuss and determine whether in its opinion there exists a reasonable concern that as a result of a proposed merger, the surviving company will not be able to satisfy its obligations towards its creditors, such determination taking into account the financial condition of the merging companies. If the board of directors determines that such a concern exists, it may not approve a proposed merger. Following the approval of the board of directors of each of the merging companies, the boards of directors must jointly prepare a merger proposal for submission to the Israeli Registrar of Companies.

For purposes of the shareholder vote of 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 the transaction would have been approved by the shareholders of a merging company but for the separate approval of each class or the exclusion of the votes of certain shareholders as provided above, a court may still approve the merger upon the 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. If, however, the merger involves a merger with a company's controlling shareholder or if the controlling shareholder has a personal interest in the merger, then the merger is instead subject to the same special majority approval that governs all extraordinary transactions with controlling shareholders.

Under the Companies Law, each merging company must deliver the merger proposal to its secured creditors and inform its unsecured creditors of the merger proposal and its content. Upon the request of a creditor of either party to the proposed merger, the court may delay or prevent the merger if it concludes that there exists a reasonable concern that as a result of the merger the surviving company will be unable to satisfy the obligations of any of the parties to the merger, and may further give instructions to secure the rights of creditors.

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.

Special Tender Offer

The Companies Law also provides that, subject to certain exceptions, an acquisition of shares of an Israeli public company must be made by means of a special tender offer if as a result of the acquisition (1) the purchaser would become a holder of 25% or more of the voting rights in the company if there is no holder of 25% or more of the voting rights in the company or (2) the purchaser would become a holder of more than 45% 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 as a private placement whose purpose is to give the purchaser 25% or more of the voting rights in the company, if there is no person who holds 25% or more of the voting rights in the company, or as a private placement whose purpose is to give the purchaser 45% of the voting rights in the company, if there is no person who holds 45% of the voting rights in the company, (2) was from a shareholder holding 25% or more of the voting rights in the company which resulted in the purchaser 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 of a company. 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 purchaser and (2) the number of shares tendered in the offer exceeds the number of shares whose holders objected to the offer (excluding the purchaser, its controlling shareholders, holders of 25% or more of the voting rights in the company and any person having a personal interest in the acceptance of the tender offer, or anyone on their behalf, including any such person's relatives and entities under their control).

In the event that a special tender offer is made, a company's board of directors is required to express its opinion on the advisability of the offer or may abstain from expressing an opinion if it is unable to do so, provided that it gives the reasons for its abstention. The board of directors shall also disclose any personal interest that any of the directors has with respect to the special tender offer or in connection therewith. An office holder in a target company who, in his or her capacity as an office holder, performs an action the purpose of which is to cause the failure of an existing or foreseeable special tender offer or is to impair the chances of its acceptance, may be liable to the potential

purchaser and shareholders for damages, unless such office holder acted in good faith and had reasonable grounds to believe he or she was acting for the benefit of the company. However, office holders of the target company may negotiate with the potential purchaser in order to improve the terms of the special tender offer and may further negotiate with third parties in order to obtain a competing offer.

If a special tender offer is accepted, then shareholders who did not respond to or that had objected the offer may accept the offer within four days of the last day set for the acceptance of the offer and they will be considered to have accepted the offer from the first day it was made. In the event that a special tender offer is accepted, then the purchaser or any person or entity controlling it or under common control with the purchaser or such controlling person or entity at the time of the offer may not make a subsequent tender offer for the purchase of shares of the target company and may not enter into a merger with the target company for a period of one year from the date of the offer, unless the purchaser or such person or entity undertook to effect such an offer or merger in the initial special tender offer.

Shares acquired in contradiction of the special tender offer rules under the Companies Law will have no rights and will become dormant shares.

Full Tender Offer

A person wishing to acquire shares of a public Israeli company who would, as a result, hold over 90% of the target company's voting rights or the target company's issued and outstanding share capital (or of a certain class of shares thereof), is required by the Companies Law to make a tender offer to all of the company's shareholders for the purchase of all of the issued and outstanding shares of the company (or the applicable class). In general, if (a) the shareholders who do not accept the offer hold less than 5% of the issued and outstanding shares of the company (or the applicable class) and the shareholders who accept the offer constitute a majority of the offerees that do not have a personal interest in the acceptance of the tender offer or (b) the shareholders who did not accept the offer hold less than 2% of the issued and outstanding share capital of the company (or of the applicable class), all of the shares that the acquirer offered to purchase will be transferred to the acquirer by operation of law. A shareholder who had its shares so transferred may petition an Israeli court within six months from the date of acceptance of the full tender offer, regardless of whether such shareholder agreed to the offer, to determine whether the tender offer was for less than fair value and whether the fair value should be paid as determined by the court. However, an offeror may provide in the offer that a shareholder who accepted the offer will not be entitled to petition the court for appraisal rights as described in the preceding sentence, as long as the offeror and the company disclosed the information required by law in connection with the full tender offer. If a full tender offer is not accepted, the acquirer may not acquire shares of the company that will increase its holdings to more than 90% of the company's voting rights or the company's issued and outstanding share capital (or of the applicable class) from shareholders who accepted the tender offer.

Shares acquired in contradiction of the full tender offer rules under the Companies Law will have no rights and will become dormant shares.

Antitakeover Provisions

The Companies Law allows us to create and issue shares having rights different from those attached to our ordinary shares, including shares providing certain preferred rights with respect to voting, distributions or other matters and shares having preemptive rights. No preferred shares will be authorized under the Amended Articles. In the future, if we do authorize, create and issue a specific class of preferred shares, such class of shares, depending on the specific rights that may be attached to it, may have the ability to frustrate or prevent a takeover or otherwise prevent our shareholders from realizing a potential premium over the market value of their ordinary shares. The authorization and designation of a class of preferred shares will require an amendment to the Amended Articles, which requires the prior approval of our shareholders. The convening of the meeting, the shareholders entitled to participate in and the vote required to be obtained at such a meeting will be subject to the requirements set forth in the Companies Law and the Amended Articles, as described above in "— Shareholder Meetings." In addition, as disclosed under "— Election of Directors," we will have a classified board structure upon the closing of this offering, which will effectively limit the ability of any investor or potential investor or group of investors or potential investors to gain control of the Board.

Access to Corporate Records

Under the Companies Law, shareholders generally have the right to review minutes of our general meetings, our shareholder register (including with respect to material shareholders), our articles of association, our financial statements, other documents as provided in the Companies Law and any document we are required by law to file publicly with the Israeli Registrar of Companies or the Israel Securities Authority. Any shareholder who specifies the purpose of its request may request to review any document in our possession that relates to any action or transaction with a related party which requires shareholder approval under the Companies Law. We may deny a request to review a document if we determine that the request was not made in good faith, that the document contains a trade secret or a patent or that the document's disclosure may otherwise impair our interests.

Borrowing Powers

Pursuant to the Companies Law and the Amended Articles, the Board may exercise all powers and take all actions that are not required under law or under the Amended Articles to be exercised or taken by our shareholders, including the power to borrow money for company purposes.

Exchange Controls

There are currently no Israeli currency control restrictions on remittances of dividends on our ordinary shares, proceeds from the sale of the ordinary shares or interest or other payments to non-residents of Israel, except for shareholders who are subjects of countries that are, have been, or will be, in a state of war with Israel.

Exclusive Forum

The Amended Articles provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both U.S. state and federal courts have jurisdiction to entertain such claims. This choice of forum provision may limit a shareholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees and may increase the costs associated with such lawsuits, which may discourage such lawsuits against us and our directors, officers and employees. Alternatively, if a court were to find these provisions of the Amended Articles inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business and financial condition. This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the U.S. federal courts have exclusive jurisdiction.

The Amended Articles also provide that unless we consent in writing to the selection of an alternative forum, the competent courts of Tel Aviv, Israel shall be the exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of fiduciary duties owed by any of our directors, officers or other employees to us or our shareholders, or (iii) any action asserting a claim arising pursuant to any provision of the Companies Law or the Israeli Securities Law. This exclusive forum provision is intended to apply to claims arising under Israeli law and would not apply to claims brought pursuant to the Securities Act or the Exchange Act or any other claim for which U.S. federal courts would have exclusive jurisdiction. Such exclusive forum provision in the Amended Articles will not relieve us of our duties to comply with U.S. federal securities laws and the rules and regulations thereunder, and shareholders will not be deemed to have waived our compliance with such laws, rules and regulations.

Any person or entity purchasing or otherwise acquiring any interest in our share capital shall be deemed to have notice of and to have consented to the choice of forum provisions of the Amended Articles described above.

Changes in Capital

The Amended Articles enable us to increase or reduce our authorized share capital. Any such changes are subject to Israeli law and must be approved by a resolution duly passed by our shareholders at a general meeting of shareholders. In addition, transactions that have the effect of reducing capital, such as the declaration and payment of dividends in the absence of sufficient retained earnings or profits, require the approval of both the Board and an Israeli court.

Transfer Agent and Registrar

The transfer agent and registrar for our ordinary shares is VStock Transfer, LLC. Its address is 18 Lafayette Place, Woodmere, NY 11598, and its telephone number is 212.828.8436.

Listing

We have applied to list our ordinary shares on the Nasdaq under the symbol “GAUZ.” This offering is contingent on the listing of our ordinary shares on the Nasdaq.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, no public market existed for our ordinary shares. Sales of substantial amounts of our ordinary shares following this offering, or the perception that these sales could occur, could adversely affect prevailing market prices of our ordinary shares and could impair our future ability to obtain capital, especially through an offering of equity securities. Assuming that the underwriters do not exercise in full their option to purchase additional ordinary shares with respect to this offering and assuming no exercise of options outstanding following this offering, we will have an aggregate of 9,870,586 ordinary shares outstanding upon the closing of this offering. Of these shares, the ordinary shares sold in this offering will be freely tradable without restriction or further registration under the Securities Act, unless purchased by "affiliates" (as that term is defined under Rule 144 of the Securities Act, or Rule 144), who may sell only the volume of shares described below and whose sales would be subject to additional restrictions described below.

The remaining ordinary shares will be held by our existing shareholders and will be deemed to be "restricted securities" under Rule 144. Subject to certain contractual restrictions, including the lock-up agreements described below, restricted securities may only be sold in the public market pursuant to an effective registration statement under the Securities Act or pursuant to an exemption from registration under Rule 144, Rule 701 or Rule 904 under the Securities Act. These rules are summarized below. Sales of these shares in the public market after the restrictions under the lock-up agreements lapse, or the perception that those sales may occur, could cause the prevailing market price of our ordinary shares to decrease or to be lower than it might be in the absence of those sales or perceptions.

Eligibility of Restricted Shares for Sale in the Public Market

Approximately 14,513,272 of our ordinary shares will be eligible for resale pursuant to Rule 144 after 90 days following the pricing of this offering as follows:

- with respect to non-affiliates of our company who will hold approximately 10,263,239 ordinary shares upon the consummation of this offering, following the expiration of a non-affiliate's six-month holding period and subject to our compliance with the current public information requirements under Rule 144; and
- with respect to affiliates of our company who will hold approximately 4,250,033 ordinary shares upon the consummation of this offering, following the expiration of an affiliate's six-month holding period and subject to our compliance with the current public information requirements under Rule 144, and subject to the volume, manner of sale and other limitations under Rule 144 applicable to securities held by affiliates.

In each case, the shares will also be subject to the contractual restrictions arising under the lock-up agreements described below.

All of the ordinary shares sold in this offering will be eligible for immediate sale upon the closing of this offering.

Lock-Up Agreements

Our directors, executive officers and holders of greater than 95% of our outstanding ordinary shares or our ordinary shares issuable upon the exercise of options and warrants have signed lock-up agreements. Pursuant to such lock-up agreements, such persons have agreed, subject to certain exceptions, not to sell or otherwise dispose of ordinary shares or any securities convertible into or exchangeable for ordinary shares for a period of 180 days after the date of this prospectus without the prior written consent of Barclays Capital Inc., which may, in its sole discretion, at any time without prior notice, release all or any portion of the ordinary shares from the restrictions in any such agreement. These agreements are described below under the section captioned "Underwriters." Upon the expiration of the applicable lock-up restrictions, substantially all of the shares subject to such lock-up restrictions will become eligible for sale, subject to the limitations described in this section.

Rule 144

Shares Held for Six Months

In general, under Rule 144 as currently in effect, and subject to the terms of any lock-up agreement, commencing 90 days after the closing of this offering, a person (or persons whose shares are aggregated), including an affiliate, who has beneficially owned our ordinary shares for six months or more, including the holding period of any prior owner other than one of our affiliates (i.e., commencing when the shares were acquired from our company or from an affiliate of our company as restricted securities), is entitled to sell our ordinary shares, subject to the availability of current public information about us. In the case of an affiliate shareholder, the right to sell is also subject to the fulfilment of certain additional conditions, including manner of sale provisions and notice requirements, and to a volume limitation that limits the number of shares to be sold thereby, within any three-month period, to the greater of:

- 1% of the number of ordinary shares then outstanding; or
- the average weekly trading volume of our ordinary shares on the Nasdaq during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

The six-month holding period of Rule 144 does not apply to sales of unrestricted securities. Accordingly, persons who hold unrestricted securities may sell them under the requirements of Rule 144 described above without regard to the six-month holding period, even if they were considered our affiliates at the time of the sale or at any time during the 90 days preceding such date.

Shares Held by Non-Affiliates for One Year

Under Rule 144 as currently in effect, a person (or persons whose shares are aggregated) who is not considered to have been one of our affiliates at any time during the 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than one of our affiliates, is entitled to sell his, her or its shares under Rule 144 without complying with the provisions relating to the availability of current public information or with any other conditions under Rule 144. Therefore, unless subject to a lock-up agreement or otherwise restricted, such shares may be sold immediately upon the closing of this offering.

Rule 701

In general, under Rule 701, any of our employees, directors, officers, consultants or advisors who received or purchased ordinary shares from us under our incentive option plans or other written agreements before the closing of this offering is entitled to resell these shares.

The SEC has indicated that Rule 701 will apply to typical share options granted by an issuer before it becomes subject to the reporting requirements of the Exchange Act, along with the shares acquired upon exercise of these options, including exercises after the closing of this offering. Securities issued in reliance on Rule 701 are restricted securities and, subject to the contractual restrictions described above (see "*Shares Eligible for Future Sale — Lock-Up Agreements*"), may be sold beginning 90 days after the closing of this offering in reliance on Rule 144 by:

- persons other than affiliates, without restriction; and
- affiliates, subject to the manner-of-sale, current public information and filing requirements of Rule 144, in each case, without compliance with the six-month holding period requirement of Rule 144.

Registration Rights

We have granted demand, "piggy-back" and Form F-3 registration rights to certain of our shareholders to register our ordinary shares for resale. Registration of the sale of these shares under the Securities Act would result in these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of the applicable registration statement, except for shares purchased by affiliates. For a further description of these rights, see "*Certain Relationships and Related Party Transactions — Registration Rights*."

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.

Material Israeli Tax Considerations and Government Programs

The following is a brief summary of certain material provisions of Israeli income tax laws applicable to us. This section also contains a brief summary of material Israeli income tax consequences concerning the purchase, ownership and disposition of our ordinary shares purchased by investors in this offering. This summary does not discuss all the aspects of Israeli tax law that may be relevant to a particular investor or particular investment circumstances or to certain types of investors subject to special treatment under Israeli law. Examples of such investors include Israeli residents, partnerships, trusts or traders in securities who are subject to special tax regimes not covered in this discussion. To the extent that this discussion is based on tax legislation that has not yet been subject to judicial or administrative interpretation, we cannot assure you that the tax authorities or the courts will accept the views expressed in this discussion. The discussion is subject to change, including due to amendments under Israeli law or changes to the applicable judicial or administrative interpretations of Israeli law, which change could affect the tax consequences described below, possibly with retroactive effect. The discussion below is not intended, and should not be construed, as legal or professional tax advice and is not exhaustive of all possible tax considerations.

THEREFORE, YOU ARE URGED TO CONSULT YOUR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF YOUR PARTICULAR SITUATION, AS WELL AS ANY TAX CONSEQUENCES THAT MAY ARISE FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR ORDINARY SHARES UNDER THE LAWS OF ANY STATE, LOCAL, FOREIGN OR OTHER TAXING JURISDICTION.

Taxation of our Company

Corporate Tax

Israeli companies are generally subject to corporate tax. The current corporate tax rate is 23%. However, the corporate tax rate applicable to a company that derives income from an Approved Enterprise, a Preferred Enterprise, a Beneficiary Enterprise or a Preferred Technological Enterprise (as discussed below) may be considerably lower. Real Capital Gains (as defined below) derived by an Israeli resident company are generally subject to the prevailing corporate tax rate. Under the Israeli Income Tax Ordinance (New Version), 5721-1961, or the Ordinance, a company will be considered as an "Israeli resident" if: (a) it was incorporated in Israel; or (b) the control and management of its business are operated from Israel.

Law for the Encouragement of Industry (Taxes), 5729-1969

The Law for the Encouragement of Industry (Taxes), 5729-1969, or the Industry Encouragement Law, provides several tax benefits for "Industrial Companies." The Industry Encouragement Law and the regulations promulgated thereunder provide that an "Industrial Company" is an Israeli-resident company incorporated in Israel, of which 90% or more of its income in any tax year, other than income from certain government loans, capital gains, dividends and interest and linkage differentials, is derived from an "Industrial Enterprise" owned by it and located in Israel or in the "Area," as defined in the Ordinance. 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 patents, rights to use a patent, and know-how, which are used for the development or advancement of the Industrial Enterprise, over an eight-year period, commencing with the year in which the Industrial Company began to use them;

- 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 commencing in the year of the offering.

Eligibility for benefits under the Industry Encouragement Law is not contingent upon approval of any governmental authority. There can be no assurance that we have qualified or will qualify in the future as an Industrial Company and there can be no assurance that the benefits described above will be available in the future.

Tax Benefits and Grants for Research and Development

The Ordinance allows, under certain conditions, a tax deduction for expenditures, including capital expenditures, related to scientific research and development for the year in which they are incurred. Expenditures are deemed related to scientific research and development projects if:

- the research and expenditures are approved by the relevant Israeli government ministry, determined by the field of research;
- the research and development are for the development or promotion of the company; and
- the research and development are carried out by or on behalf of the company.

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. Under these research and development deduction rules, no deduction is allowed for any expense invested in an asset depreciable under the general depreciation rules of the Ordinance. Expenditures that do not qualify for this special deduction are deductible in equal amounts over three years.

From time to time, we may apply to the IIA for approval to allow a tax deduction for research and development expenses during the year incurred. There can be no assurance that any such application will be approved.

Law for the Encouragement of Capital Investments, 5719-1959

The Law for the Encouragement of Capital Investments, 5719-1959, or the Investment Law provides certain incentives for capital investments in production facilities (or other eligible assets) by "Industrial Enterprises" (as defined under the Investment Law). Generally, an investment program that is implemented in accordance with the provisions of the Investment Law, referred to as an Approved Enterprise, a Beneficiary Enterprise, a Preferred Enterprise, a Preferred Technological Enterprise, or a Special Preferred Technological Enterprise, is entitled to benefits as discussed below. These benefits may include cash grants from the Israeli government and tax benefits based upon, among other things, the geographic location in Israel of the facility in which the investment is made. To qualify for these incentives, we have to comply with the requirements of the Investment Law.

The Investment Law was significantly amended effective as of April 1, 2005, as of January 1, 2011, or the 2011 Amendment, and as of January 1, 2017, or the 2017 Amendment. The 2011 Amendment introduced new benefits to replace those granted in accordance with the provisions of the Investment Law in effect prior to the 2011 Amendment. The 2017 Amendment introduced new benefits for Technological Enterprises, alongside the existing tax benefits.

The Preferred Enterprise Incentives Regime — the 2011 Amendment

The 2011 Amendment introduced new benefits for income generated by a "Preferred Company" through its "Preferred Enterprise" (as such terms are defined in the Investment Law). The definition of a Preferred Company includes a company incorporated in Israel that is not wholly-owned by a governmental entity, and that, among other things, owns a Preferred Enterprise and is controlled and managed from Israel. Pursuant to the 2011 Amendment, a Preferred Company is entitled to a reduced corporate tax rate of 16% with respect to its Preferred Income derived by its Preferred Enterprise, unless the Preferred Enterprise is located in a specified development zone, in which case the rate will be 7.5%. Income derived by a Preferred Company from a "Special Preferred Enterprise" (as such term is defined in the Investment Law) would be entitled, during a benefits period of 10 years, to further reduced tax rates of

8%, or 5% if the Special Preferred Enterprise is located in a specified development zone. Dividends distributed from income which is attributed to a "Preferred Enterprise" will be subject to Israeli tax at the following rates: (i) Israeli resident corporations -0% (although, if such dividends are subsequently distributed to individuals or a non-Israeli company, a tax rate of 20% or such lower rate as may be provided in an applicable tax treaty will apply), (ii) Israeli resident individuals -20%, (iii) non-Israeli residents (individuals and corporations) -20%, subject to a reduced tax rate as may be provided under the provisions of an applicable tax treaty (in each case, subject to the receipt in advance of a valid certificate from the ITA allowing for such 20% rate or such lower treaty tax rate).

The Technological Enterprise Incentives Regime — the 2017 Amendment

The 2017 Amendment provides new tax benefits for two types of "Technological Enterprises," as described below, and is in addition to the other existing tax beneficial programs under the Investment Law.

The 2017 Amendment applies to "Preferred Technological Enterprises" that meet certain conditions, including: (1) the research and development, or R&D, expenses in the three years preceding the relevant tax year were at least 7% on average of the company's annual turnover or exceeded NIS 75 million in each such year, and (2) one of the following: (a) at least 20% of the workforce (or at least 200 employees) are employees whose full salary has been paid and reported in the company's financial statements as R&D expenses; (b) a venture capital investment approximately equivalent to at least NIS 8 million was previously made in the company and the company did not change its line of business; (c) growth in income by an average of 25% or more over the three years preceding the relevant tax year, provided that the turnover was at least NIS 10 million in the relevant tax year and in each of the preceding three years; or (d) growth in workforce by an average of 25% or more over the three years preceding the relevant tax year, provided that the company employed at least 50 employees in the relevant tax year and in each of the preceding three years. A "Special Preferred Technological Enterprise" is an enterprise that meets conditions 1 and 2 above, and in addition belongs to a "Group" with annual consolidated revenues above NIS 10 billion.

Preferred Technological Enterprises enjoy a reduced corporate tax rate of 12% on income that qualifies as "Preferred Technological Income," as defined in the Investment Law. The tax rate is further reduced to 7.5% for a Preferred Technological Enterprise located in development zone "A." In addition, a Preferred Technological Enterprise will enjoy a reduced corporate tax rate of 12% on capital gain derived from the sale of certain "Benefited Intangible Assets" (as defined in the Investment Law) to a related foreign company if the Benefited Intangible Assets were acquired from a foreign company on or after January 1, 2017, for at least NIS 200 million, and the sale received prior approval from the IIA.

"Special Preferred Technological Enterprises" enjoy a reduced corporate tax rate of 6% on "Preferred Technological Income" regardless of the company's geographic location within Israel. In addition, Special Preferred Technological Enterprises enjoy a reduced corporate tax rate of 6% on capital gain derived from the sale of certain "Benefited Intangible Assets" to a related foreign company if the Benefited Intangible Assets were either developed by the Special Preferred Technological Enterprise or acquired from a foreign company on or after January 1, 2017, and the sale received prior approval from the IIA. A Special Preferred Technological Enterprise that acquires Benefited Intangible Assets from a foreign company for more than NIS 500 million should be eligible for these benefits for at least 10 years, subject to certain approvals as specified in the Investment Law.

Dividends distributed to individuals or non-Israeli shareholders by a Preferred Technological Enterprise or a Special Preferred Technological Enterprise, paid out of Preferred Technological Income, are generally subject to tax at the rate of 20% or such lower rate as may be provided in an applicable tax treaty, which, in each case, will be withheld at source (non-Israeli shareholders are required to present, in advance of payment, a valid certificate from the ITA allowing for such 20% rate or lower treaty rate). However, dividends distributed to an Israeli company are not subject to tax (although, if such dividends are subsequently distributed to individuals or non-Israeli shareholders, withholding tax at a rate of 20% or such lower rate as may be provided in an applicable tax treaty, would apply). If such dividends are distributed to a foreign company that holds solely or together with other foreign companies 90% or more in the Israeli company and other conditions are met, the tax rate will be 4% or such lower rate as may be provided in an applicable tax treaty (in either case, subject to the receipt in advance of a valid certificate from the ITA allowing for such 4% rate or lower treaty tax rate).

We believe that we may be eligible for the tax benefits under the 2017 Amendment as a Preferred Technological Enterprise, but there is no assurance that we will meet all the terms and conditions required under the Investment Law that will allow us to enjoy any tax benefits under the Investment Law.

Taxation of Non-Israeli Resident Shareholders

Capital Gains Tax

Israeli capital gains tax is imposed on the disposition of capital assets by a non-Israeli resident if those assets (i) are located in Israel, (ii) are shares or a right to shares in an Israeli resident corporation, or (iii) represent, directly or indirectly, rights to assets located in Israel, unless a specific exemption is available under Israeli domestic law or under an applicable tax treaty between Israel and the seller's country of residence. The Ordinance distinguishes between "Real Capital Gain" and "Inflationary Surplus." The Inflationary Surplus is a portion of the total capital gain equivalent to the increase of the relevant asset's purchase price attributable to an increase in the Israeli consumer price index, or, in certain circumstances, a foreign currency exchange rate, between the date of purchase and the date of sale. Inflationary Surplus is currently not subject to tax in Israel. The Real Capital Gain is the excess of the total capital gain over the Inflationary Surplus. Generally, Real Capital Gain accrued by individuals on the sale of our ordinary shares will be taxed at the rate of 25%. However, if the shareholder is a "substantial shareholder" at the time of sale or at any time during the preceding 12-month period, such gain will be taxed at the rate of 30%. A "substantial shareholder" is generally a person who, alone or together with such person's relatives 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 the power to direct the actions of someone who holds any of the aforesaid rights, regardless of the source of such right. Real Capital Gain derived by corporations generally is subject to tax at the prevailing corporate tax rate, which is currently 23%.

A non-Israeli resident who derives capital gains from the sale of shares of an Israeli resident company that were purchased after the company was listed for trading on a stock exchange outside of Israel will be exempt from Israeli capital gains tax if, among other conditions, the shares were not held through or attributable to a permanent establishment that the non-resident maintains in Israel (and certain other conditions are met). However, a non-Israeli "Body of Persons" (as defined in the Ordinance, and includes corporate entities, partnerships, and other entities) will not be entitled to the foregoing exemption if Israeli residents: (i) have, directly or indirectly, alone or together with such person's relatives or another person who, according to an agreement, collaborates with such person on a permanent basis regarding material affairs of the company, or with another Israeli tax resident, a controlling interest of more than 25% in any of the means of control of such non-Israeli Body of Persons or (ii) are the beneficiaries of, or are entitled to, 25% or more of the revenues or profits of such non-Israeli Body of Persons, whether directly or indirectly. In addition, such exemption is not applicable to a person whose gains from selling or otherwise disposing of the shares are deemed to be business income.

Additionally, a sale of shares of an Israeli resident company by a non-Israeli resident may be exempt from such Israeli capital gains tax under the provisions of an applicable tax treaty. For example, under the Convention Between the Government of the United States of America and the Government of the State of Israel with respect to Taxes on Income, as amended, or the U.S.-Israel Tax Treaty, the sale, exchange or other disposition of shares by a shareholder who is a U.S. resident (for purposes of the treaty) holding the shares as a capital asset and who 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 such 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 such sale, exchange or disposition is attributable (as determined under the U.S.-Israel Tax Treaty) to a permanent establishment that such Treaty U.S. Resident has in Israel; (iv) such Treaty U.S. Resident holds, directly or indirectly, shares representing 10% or more of the voting capital of such company during any part of the 12-month period preceding the sale, exchange or 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 any such case, the sale, exchange or disposition of such shares by the Treaty U.S. Resident would be subject to Israeli taxes (unless exempt under Israeli domestic law as described above).

Regardless of whether or not non-Israeli shareholders may be liable for Israeli capital gains tax on the sale of our ordinary shares, the payment of the consideration may be subject to withholding of Israeli tax at source and holders of our ordinary shares 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. Specifically, the ITA may require shareholders who are not liable for Israeli capital gains tax on such a sale to sign declarations in forms prescribed by the ITA, provide

documents (including, for example, a certificate of residency) or obtain a specific exemption from the ITA to confirm their status as non-Israeli residents (and, in the absence of such declarations or exemptions, the ITA may require the purchaser of the shares to withhold tax at source).

Taxation on Receipt of Dividends

Non-Israeli residents (whether individuals or corporations) are generally subject to Israeli income tax on the receipt of dividends paid on our ordinary shares at the rate of 25% (or 30% in the case such shareholder is a "substantial shareholder," as defined above, at the time of the distribution or at any time during the preceding 12-month period), which tax will be withheld at source, unless relief is provided in an applicable tax treaty between Israel and the shareholder's country of residence (provided that a certificate from the ITA allowing for such relief is obtained in advance). Dividends paid on publicly traded shares, like our ordinary shares, are generally subject to Israeli withholding tax at a rate of 25% so long as the shares are registered with a nominee company (whether or not the recipient is a "substantial shareholder"), unless a lower rate is provided under an applicable tax treaty (provided that a certificate from the ITA allowing for such reduced withholding tax rate is obtained in advance). 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 or Preferred Technological Enterprise, or such lower rate as may be provided under an applicable tax treaty (provided that a certificate from the ITA allowing for such 20% withholding tax rate or lower treaty rate is obtained in advance).

As discussed above, a reduced tax rate on dividends may be available under an applicable treaty (provided that a certificate from the ITA allowing for such lower treaty rate is obtained in advance). For example, under the U.S.-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, a maximum rate of 12.5% applies to withholding tax on dividends that are paid by an Israeli corporation to a U.S. corporation holding 10% or more of the outstanding voting capital of an Israeli corporation throughout the tax year in which the dividend is distributed as well as during the previous tax year, provided that not more than 25% of the gross income of the Israeli corporation 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 U.S.-Israel 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 the company's gross income for the previous year (as discussed in the previous sentence) is met. If the dividend is attributable partly to income derived from a Preferred Enterprise or Preferred Technological Enterprise, and partly to other sources of income, the withholding rate could be a blended rate reflecting the relative portions of the two types of income.

We cannot assure you that we will designate the profits that we may distribute in a way that will reduce shareholders' tax liability.

A non-Israeli resident that receives dividends from an Israeli resident from which the full tax was deducted will generally be exempt from filing a tax return in Israel with respect to such income, provided that (i) such income was not generated from a business conducted in Israel by the non-Israeli resident; (ii) the non-Israeli resident has no other taxable sources of income in Israel; and (iii) the non-Israeli resident is not subject to surtax (as explained below).

Surtax

Subject to the provisions of an applicable tax treaty, individuals who are subject to income tax in Israel (whether such individual is an Israeli resident or non-Israeli resident) are subject to an additional tax at a rate of 3% on annual income (including, but not limited to, income derived from dividends, interest and capital gains) exceeding NIS 721,560 for 2024, which amount is linked to the annual change in the Israeli consumer price index.

Estate and Gift Tax

Israeli law currently does not impose estate or gift taxes.

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 two paragraphs, 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) created or organized in the United States or 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 its 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 within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended, or the Code (generally, held for investment). 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 Code, final, temporary and proposed U.S. Treasury regulations promulgated thereunder, administrative and judicial interpretations thereof, and the U.S.-Israel 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 Internal Revenue Service, or 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, or the Medicare contribution tax on net investment income. In addition, this discussion does not address special U.S. federal income tax considerations that may be relevant to 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 any 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 trust or grantor trust; (8) a U.S. Holder that expatriates out of the United States or a former long-term resident of the United States; (9) regulated investment companies; or (10) 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 the stock of our company. 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 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 have never paid, and 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. Holders that are U.S. corporations, will be required to include in gross income as ordinary income the amount of any distribution paid on the 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, even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above.

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 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 with respect to positions in substantially similar or related 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.

The amount of a distribution with respect to our ordinary shares will be equal to the amount of the fair market value of any property distributed increased by the amount of any Israeli taxes withheld therefrom. Cash distributions paid by us in NIS will be included in the gross 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, whether or not the payment is converted into U.S. dollars at that time, 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 them, 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.

Dividends paid with respect to our ordinary shares will be treated as foreign source income, which may be relevant in calculating the holder's foreign tax credit limitation. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends that we distribute generally should constitute "passive category income." A foreign tax credit for foreign taxes imposed on distributions may be denied if holders do not satisfy certain minimum holding period requirements. The rules relating to the determination of the foreign tax credit are complex, and U.S. Treasury regulations, or Foreign Tax Credit Regulations, that apply to foreign income taxes paid or accrued in taxable years beginning on or after December 28, 2021 further restrict the availability of any such credit based on the nature of the tax imposed by the non-U.S. jurisdiction (although the IRS has provided temporary relief from the application of certain aspects of these regulations until further notice or guidance). U.S. Holders should consult their tax advisor to determine whether and to what extent such holder will be entitled to this credit.

Taxation of the Sale, Exchange or other 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, determined

in U.S. dollars, and the U.S. dollar value of the amount realized on the disposition (or its U.S. dollar equivalent determined by reference to the spot rate of exchange on the date of disposition (or on the date of settlement of the sale, if certain conditions are met or elections are made), 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. Certain non-corporate holders, including 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.

Any such gain or loss generally will be treated as U.S. source income or loss for purposes of the foreign tax credit. As a result, if there are any foreign taxes imposed on any gain, the U.S. Holder may not be able to utilize foreign tax credit with respect to such taxes. Additionally, as discussed above, the Foreign Tax Credit Regulations may further limit your ability to claim such a foreign tax credit, depending on the nature of such foreign tax. U.S. Holders should consult their tax advisors concerning foreign tax credits.

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 generally determined on the basis of a quarterly average and 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 rents, dividends, interest, royalties, gains from the disposition of passive assets and gains from commodities and securities transactions. Cash is treated as generating passive income.

Based on the projected composition of our income and valuation of our assets, we do not expect to be a PFIC for 2024 and we do not expect to become a PFIC in the future, although there can be no assurance in this regard. The tests for determining PFIC status are applied annually after the close of each taxable year, 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 offering price of our ordinary shares in this offering and the subsequent trading value of our ordinary shares, which may fluctuate significantly. 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, unless a U.S. Holder validly makes one of the elections discussed below, such U.S. Holder would, upon receipt of certain "excess distributions" (described below) by us and upon disposition of our ordinary shares at a gain: (1) have such excess distribution or gain allocated rateably 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. Distributions received by a U.S. Holder in a taxable year that are greater than 125% of the average annual distributions received during the shorter of the three preceding taxable years or the U.S. Holder's holding period for the ordinary shares will be treated as "excess distributions." In addition, if we are a PFIC and we own directly or indirectly equity in any company that is also a PFIC, or a lower-tier PFIC, a U.S. Holder may also be subject to the adverse tax consequences described above with respect to any gain or "excess distribution" realized or deemed realized in respect of such lower-tier PFIC.

The PFIC rules described above would not apply to a U.S. Holder who makes a qualified electing fund, or 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 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 generally 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, 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. A mark-to-market election may not be available with respect to a lower-tier PFIC.

U.S. Holders who hold our ordinary shares during a period when we are a PFIC will be subject to the foregoing rules, unless we cease to be a PFIC and the U.S. Holder has made a "deemed sale" election under the PFIC rules. U.S. Holders are strongly urged to consult their tax advisors about the PFIC rules.

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 our ordinary shares. In general, backup withholding will apply only if a U.S. Holder fails to furnish its correct taxpayer identification number and a duly executed IRS Form W-9 or otherwise fails to comply with, or establish an exemption from, such backup withholding tax requirements or to report dividends required to be shown on the holder's U.S. federal income tax returns. 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.

Information reporting generally will apply to distributions on, and proceeds from a disposition of our ordinary shares made within the United States or by a U.S. payor or U.S. middleman, to a holder of our ordinary shares, other than an exempt recipient (including a payee that is not a U.S. person that provides an appropriate certification and certain other persons). Payments made (and sales or other dispositions effected at an office) outside the United States will be subject to information reporting in limited circumstances.

Certain U.S. Holders 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.

UNDERWRITING

Barclays Capital Inc. is acting as representative of each of the underwriters named below. Subject to the terms and conditions set forth in an underwriting agreement among us and the underwriters, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the number of ordinary shares set forth opposite its name below.

Underwriter	Number of Ordinary Shares
Barclays Capital Inc.	
TD Securities (USA) LLC	
Stifel, Nicolaus & Company, Incorporated	
B. Riley Securities, Inc.	
Beech Hill Securities, Inc.	
Total	

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed, severally and not jointly, to purchase all of the ordinary shares sold under the underwriting agreement if any of these ordinary shares are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the ordinary shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the ordinary shares, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commissions and Discounts

The representative has advised us that the underwriters propose initially to offer the ordinary shares to the public at the public offering price set forth on the cover page of this prospectus and to dealers at that price less a concession not in excess of $ per share. After the initial offering, the public offering price, concession or any other term of the offering may be changed.

The following table shows the public offering price, underwriting discount and proceeds before expenses to us. The information assumes either no exercise or full exercise by the underwriters of their option to purchase additional ordinary shares.

	Per Share	Without Option	With Option
Public offering price	$	$	$
Underwriting discount	$	$	$
Proceeds, before expenses, to us	$	$	$

The expenses of the offering, not including the underwriting discount, are estimated at $2,274,481 and are payable by us. We have also agreed to reimburse the underwriters for certain of their expenses incurred in connection with this offering in an amount up to $1,500,000.

Option to Purchase Additional Ordinary Shares

We have granted an option to the underwriters, exercisable for 30 days after the date of this prospectus, to purchase up to 625,000 additional ordinary shares at the public offering price, less the underwriting discount. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the underwriting agreement, to purchase a number of additional ordinary shares proportionate to that underwriter's initial amount reflected in the above table.

Indication of Interest

In addition OIC Growth Fund has indicated an interest to purchase, directly or by way of an affiliate, up to 833,333 of ordinary shares in this offering, which represents no more than 20% of the total ordinary shares in this offering. Because indications of interest are not binding agreements or commitments to purchase, the underwriters may determine to sell more, less or no ordinary shares in this offering to this investor, or this investor may determine to purchase more, less or no ordinary shares in this offering. The underwriters will receive the same underwriting discounts and commissions on any ordinary shares purchased by this investor as they will on any other ordinary shares sold to the public in this offering.

No Sales of Similar Securities

We, our executive officers and directors and holders of substantially all of our outstanding ordinary shares or our ordinary shares issuable upon the exercise of options and warrants have agreed, pursuant to lock-up agreements and subject to certain exceptions, not to sell or transfer any ordinary shares or securities convertible into, exchangeable for, exercisable for, or repayable with ordinary shares, for 180 days, after the date of this prospectus without first obtaining the written consent of Barclays Capital Inc., provided that if such written consent is with respect to one of our officers or directors, subject to compliance with the notification requirements under FINRA Rule 5131, Barclays Capital Inc. will notify us of the impending release or waiver at least three business days before the release or waiver, and as required by FINRA Rule 5131, we have agreed to announce the impending release or waiver at least two business days before the release or waiver.

Nasdaq Global Market Listing

We expect the ordinary shares to be approved for listing on the Nasdaq, subject to notice of issuance, under the symbol “GAUZ.”

Before this offering, there has been no public market for our ordinary shares. The initial public offering price will be determined through negotiations between us and the representative. In addition to prevailing market conditions, the factors to be considered in determining the initial public offering price are:

- the valuation multiples of publicly traded companies that the representative believes to be comparable to us,
- our financial information,
- the history of, and the prospects for, our company and the industry in which we compete,
- an assessment of our management, its past and present operations, and the prospects for, and timing of, our future revenues,
- the present state of our development, and
- the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.

An active trading market for the ordinary shares may not develop. It is also possible that after the offering the ordinary shares will not trade in the public market at or above the initial public offering price.

The underwriters do not expect to sell more than 5% of the ordinary shares in the aggregate to accounts over which they exercise discretionary authority.

Price Stabilization, Short Positions and Penalty Bids

Until the distribution of the ordinary shares is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing our ordinary shares. However, the representative may engage in transactions that stabilize the price of the ordinary shares, such as bids or purchases to peg, fix or maintain that price.

In connection with the offering, the underwriters may purchase and sell our ordinary shares in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of ordinary

shares than they are required to purchase in the offering. "Covered" short sales are sales made in an amount not greater than the underwriters' option to purchase additional ordinary shares described above. The underwriters may close out any covered short position by either exercising their option to purchase additional ordinary shares or purchasing ordinary shares in the open market. In determining the source of ordinary shares to close out the covered short position, the underwriters will consider, among other things, the price of ordinary shares available for purchase in the open market as compared to the price at which they may purchase ordinary shares through the option granted to them. "Naked" short sales are sales in excess of such option. The underwriters must close out any naked short position by purchasing ordinary shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our ordinary shares in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of ordinary shares of ordinary shares made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representative has repurchased ordinary shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Similar to other purchase transactions, the underwriters' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our ordinary shares or preventing or retarding a decline in the market price of our ordinary shares. As a result, the price of our ordinary shares may be higher than the price that might otherwise exist in the open market. The underwriters may conduct these transactions on the Nasdaq, in the over-the-counter market or otherwise.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our ordinary shares. In addition, neither we nor any of the underwriters make any representation that the representative will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Electronic Distribution

In connection with the offering, certain of the underwriters or securities dealers may distribute prospectuses by electronic means, such as e-mail.

Other Relationships

Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

European Economic Area and the United Kingdom

In relation to each Member State of the European Economic Area and the United Kingdom (each a "Relevant State"), no ordinary shares have been offered or will be offered pursuant to the offering to the public in that Relevant State prior to the publication of a prospectus in relation to the ordinary shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation), except that offers of ordinary shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

a. to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

b. to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the coordinator for any such offer; or

c. in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of ordinary shares shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

Each person in a Relevant State who initially acquires any ordinary shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company and the underwriters that it is a qualified investor within the meaning of the Prospectus Regulation.

In the case of any ordinary shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the ordinary shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in a Relevant State to qualified investors, in circumstances in which the prior consent of the representative has been obtained to each such proposed offer or resale.

The Company, the representative and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this provision, the expression an "offer to the public" in relation to any ordinary shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any ordinary shares to be offered so as to enable an investor to decide to purchase or subscribe for any ordinary shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

References to the Prospectus Regulation includes, in relation to the United Kingdom, the Prospectus Regulation as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

The above selling restriction is in addition to any other selling restrictions set out below.

Notice to Prospective Investors in the United Kingdom

This document is for distribution only to persons who (i) have professional experience in matters relating to investments and who qualify as investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 as amended, or the Financial Promotion Order, (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended, or FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

Notice to Prospective Investors in Switzerland

The ordinary shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or SIX, or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the ordinary shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, the ordinary shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of ordinary shares will not be supervised by, the Swiss Financial

Market Supervisory Authority FINMA, or FINMA, and the offer of ordinary shares has not been and will not be authorized under CISA. The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of ordinary shares.

Notice to Prospective Investors in the Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority, or DFSA. This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The ordinary shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the ordinary shares offered should conduct their own due diligence on the ordinary shares. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

Notice to Prospective Investors in Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the ordinary shares were not offered or sold or caused to be made the subject of an invitation for subscription or purchase and will not be offered or sold or caused to be made the subject of an invitation for subscription or purchase, and this prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the ordinary shares, has not been circulated or distributed, nor will it be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time, or the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the ordinary shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the ordinary shares pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law; or

(d) as specified in Section 276(7) of the SFA.

Notice to Prospective Investors in Canada

The ordinary shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations.* Any resale of the ordinary shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 *Underwriting Conflicts* (**NI 33-105**), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to Prospective Investors in Israel

The securities offered hereunder may not be offered or sold to the public in Israel absent the publication of a prospectus that has been approved by the Israel Securities Authority, or the ISA. This document does not constitute a prospectus under the Israeli Securities Law, 5728-1968, or the Israeli Securities Law, and has not been filed with or approved by the ISA. In Israel, this document is being distributed only to, and is directed only at, and any offer of the securities hereunder is directed only at, (i) a limited number of persons in accordance with the Israeli Securities Law and (ii) investors listed in the first addendum to the Israeli Securities Law, or the Addendum, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters, venture capital funds, entities with equity in excess of NIS 50 million and "certain high-net worth individuals," each as defined or specified in the Addendum (as it may be amended from time to time), collectively referred to as qualified investors (in each case, purchasing for their own account or, where permitted under the Addendum, for the accounts of their clients who are investors listed in the Addendum). Qualified investors are required to submit written confirmation that they fall within the scope of the Addendum, are aware of the meaning of same and agree to it.

EXPENSES RELATED TO THE OFFERING

Set forth below is an itemization of the total expenses, excluding underwriting discounts and commissions, which are expected to be incurred by us in connection with our sale of ordinary shares in this offering.

SEC registration fee	$	12,730.50
FINRA filing fee	$	11,750.00
Nasdaq initial listing fee	$	295,000.00
Transfer agent fees and expenses	$	5,000.00
Printer fees and expenses	$	50,000.00
Legal fees and expenses	$	1,500,000.00
Accounting fees and expenses	$	200,000.00
Miscellaneous	$	1,700,000.00
Total	$	3,774,481.00

All amounts in the table are estimates except the SEC registration fee, the stock exchange listing fee and the FINRA filing fee. We will pay all of our expenses of this offering.

LEGAL MATTERS

The validity of the issuance of our ordinary shares offered in this prospectus and certain other matters of Israeli law will be passed upon for us by Gornitzky & Co., Tel Aviv, Israel. Certain matters of U.S. federal law will be passed upon for us by Greenberg Traurig, LLP, New York, New York. The underwriters are being represented by Latham & Watkins LLP, New York, New York, with respect to U.S. law and Goldfarb Gross Seligman & Co., Tel Aviv, Israel, with respect to Israeli law.

EXPERTS

The financial statements of Gauzy Ltd. as of December 31, 2023 and 2022 and for each of the two years in the period then ended included in this prospectus, have been so included in reliance upon the report of Kesselman & Kesselman, Certified Public Accountants (Isr.) a member firm of PricewaterhouseCoopers International Limited, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting. The address of Kesselman & Kesselman is 146 Derech Menachem Begin, Tel-Aviv 6492103, Israel.

ENFORCEMENT OF CIVIL LIABILITIES

We are incorporated under the laws of the State of Israel. Service of process upon us and upon our directors and officers and the Israeli experts named in this prospectus, most 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 substantially all 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, Gornitzky & 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 an alleged violation of U.S. securities laws reasoning that 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 by expert witnesses which can be a time-consuming and costly process. Certain matters of procedure may also be governed by Israeli law.

We have irrevocably appointed Gauzy USA, Inc. as our agent to receive service of process in any action against us in any U.S. federal or state court arising out of this offering or any purchase or sale of securities in connection with this offering. The address of our agent is 840 F Avenue, Suite 104, Plano, TX 75074.

Subject to specified time limitations legal procedures and certain exceptions, Israeli courts may enforce a U.S. judgment in a civil matter which is non-appealable, including a judgment 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 was rendered by a court which was, according to the laws of the state of the court, competent to render the judgment;
- the obligation imposed by the judgment is enforceable according to the rules relating to the enforceability of judgments in Israel and the substance of the judgment is not contrary to public policy; and
- the judgment is executory in the state in which it was given.

Even if these conditions are met, an Israeli court may not declare a foreign civil judgment enforceable if:

- the judgment was given in a state whose laws do not provide for the enforcement of judgments of Israeli courts (subject to exceptional cases);
- the enforcement of the judgment is likely to prejudice the sovereignty or security of the State of Israel;
- the judgment was obtained by fraud;
- the opportunity given to the defendant to bring its arguments and evidence before the court was not reasonable in the opinion of the Israeli court;
- the judgment was rendered by a court not competent to render it according to the laws of private international law as they apply in Israel;
- the judgment is contradictory to another judgment that was given in the same matter between the same parties and that is still valid; or
- at the time the action was brought in the foreign court, a lawsuit in the same matter and between the same parties was pending before a court or tribunal in Israel.

If a foreign judgment is enforced by an Israeli court, it generally will be payable in Israeli currency, which can then be converted into non-Israeli currency and transferred out of Israel. The usual practice in an action before an Israeli court to recover an amount in a non-Israeli currency is for the Israeli court to issue a judgment for the equivalent amount in Israeli currency at the rate of exchange in force on the date of the judgment, but the judgment debtor may make payment in foreign currency. Pending collection, the amount of the judgment of an Israeli court stated in Israeli currency ordinarily will be linked to the Israeli consumer price index plus interest at the annual statutory rate set by Israeli regulations prevailing at the time. Judgment creditors 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 offering of our ordinary shares. 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. For further information with respect to us and the ordinary shares offered hereby, reference is made to the registration statement and the exhibits and schedules filed therewith.

Statements made in this prospectus concerning the contents of any contract, agreement or other document are not complete descriptions of all terms of these documents. If a document has been filed as an exhibit to the registration statement, we refer you to the copy of the document that has been filed for a complete description of its terms. Each statement in this prospectus relating to a document filed as an exhibit is qualified in all respects by the filed exhibit. You should read this prospectus and the documents that we have filed as exhibits to the registration statement of which this prospectus is a part completely.

Our SEC filings are available to the public at the SEC's website at*http://www.sec.gov*. Upon completion of this offering, we will be subject to the information reporting requirements of the Exchange Act that are applicable to foreign private issuers, and under those requirements will file reports with the SEC. As a foreign private issuer, we will be exempt from the rules under the Exchange Act related to the furnishing and content of proxy statements, and our officers, directors and principal shareholders will be exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act.

We maintain a corporate website at *www.gauzy.com.* The information contained on, or accessible from, or hyperlinked to our website is not a part of this prospectus and you should not consider information on our website to be part of this prospectus. We have included our website address in this prospectus solely as an inactive textual reference.

GAUZY LTD.

INDEX TO FINANCIAL STATEMENTS

The amounts are stated in U.S. dollars in thousands except share data

GAUZY LTD.
CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)
(U.S. dollars in thousands, except share data)

	March 31, 2024	December 31, 2023
Assets		
CURRENT ASSETS:		
Cash and cash equivalents	$ 2,419	$ 4,575
Restricted cash	128	130
Trade receivables, net of allowance for credit losses of $740 and $904 as of March 31, 2024 and December 31, 2023, respectively	20,012	19,671
Institutions	7,155	6,926
Inventories	14,240	13,174
Other current assets	2,032	2,045
TOTAL CURRENT ASSETS	45,986	46,521
NON-CURRENT ASSETS:		
Restricted long term bank deposit	125	127
Restricted investment in marketable securities	2,463	1,932
Operating lease right of use assets	11,790	12,377
Property and equipment, net	20,808	20,530
Other non-current assets	967	1,000
Intangible assets:		
Customer relationships	13,339	13,917
Technology	5,111	5,698
Goodwill	21,062	21,550
Other intangible asset	4,132	4,292
TOTAL NON-CURRENT ASSETS	79,797	81,423
TOTAL ASSETS	$ 125,783	$ 127,944
Liabilities, redeemable convertible preferred shares and capital deficiency		
CURRENT LIABILITIES:		
Short-term borrowing and current maturities of bank loan	$ 4,231	$ 4,146
Short-term loan relating to factoring arrangements	9,877	10,032
Trade payables	16,428	13,989
Employee related obligations	8,500	8,745
Accrued expenses	6,494	6,767
Deferred revenues	837	742
Current maturities of operating lease liabilities	2,381	2,494
Current maturities of finance lease liabilities	148	240
Acquisition earn-out liability	2,694	2,997
Current maturities of long-term debt measured under the fair value option	—	14,286
Other current liabilities	470	448
TOTAL CURRENT LIABILITIES	52,060	64,886

GAUZY LTD.
CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited) — (Continued)
(U.S. dollars in thousands, except share data)

	March 31, 2024	December 31, 2023
LONG-TERM LIABILITIES:		
Long-term debt measured under the fair value option (including $29,767 and $21,976 due to related parties as of March 31, 2024 and December 31, 2023, respectively)	45,037	30,841
Convertible loans (CLAs) measured under the fair value option (including $9,483 and $9,780 due to related parties, as of March 31, 2024 and December 31, 2023, respectively)	64,907	55,940
Long-term bank loan	7,034	7,850
Warrants and phantom warrants to purchase preferred shares	26,829	21,566
Operating lease liabilities	8,576	9,112
Finance lease liabilities	39	96
Long-term employee related obligations	1,712	1,868
Employee rights upon retirement	977	1,208
Other long-term liabilities (including $736 and $0 due to related parties, as of March 31, 2024 and December 31, 2023, respectively)	2,026	931
TOTAL LONG-TERM LIABILITIES	157,137	129,412
COMMITMENTS AND CONTINGENT LIABILITIES		
TOTAL LIABILITIES	$ 209,197	$ 194,298
REDEEMABLE CONVERTIBLE PREFERRED SHARES:		
Convertible Preferred Shares A, A-1, A-2 and A-3 (hereafter "Preferred Shares A") (NIS 0.23 par value per share, 3,671,937 shares authorized as of March 31, 2024 and December 31, 2023, 2,192,611 issued and outstanding as of March 31, 2024 and December 31, 2023, respectively);		
Convertible Preferred Shares B (NIS 0.23 par value per share, 439,091 shares authorized as of March 31, 2024 and December 31, 2023, 333,366 issued and outstanding as of March 31, 2024 and December 31, 2023, respectively);		
Convertible Preferred Shares C (NIS 0.23 par value per share, 2,195,457 shares authorized as of March 31, 2024 and December 31, 2023, 590,059 issued and outstanding as of March 31, 2024 and December 31, 2023, respectively; aggregate liquidation preference of $9,039 as of March 31, 2024 and December 31, 2023, respectively)		
Convertible Preferred Shares D (NIS 0.23 par value per share, 2,195,457 shares authorized as of March 31, 2024 and December 31, 2023 respectively, 1,587,881 issued and outstanding as of March 31, 2024 and December 31, 2023, respectively; aggregate liquidation preference of $64,152 as of March 31, 2024 and December 31, 2023)		
TOTAL REDEEMABLE CONVERTIBLE PREFERRED SHARES	$ 70,537	$ 70,537
CAPITAL DEFICIENCY:		
Ordinary shares (NIS 0.23 par value per shares, 17,865,497 and 16,987,315 shares authorized as of March 31, 2024 and December 31, 2023 respectively; 5,277,268 and 5,276,184 shares issued and outstanding as of March 31, 2024 and December 31, 2023)	320	320
Additional paid-in capital	37,294	35,134
Other comprehensive loss	(6,488)	(515)
Accumulated deficit	(185,077)	(171,830)
TOTAL CAPITAL DEFICIENCY	$ (153,951)	$ (136,891)
TOTAL LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED SHARES AND CAPITAL DEFICIENCY	$ 125,783	$ 127,944

The above share information has been adjusted to reflect the share split as discussed in note 2h.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

GAUZY LTD.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(unaudited)
(U.S. dollars in thousands, except share data)

	Three months ended March 31,	
	2024	**2023**
REVENUES	$ 24,729	$ 17,433
Cost of revenues (exclusive of depreciation and amortization)	18,007	12,288
Depreciation and amortization	507	481
TOTAL COST OF REVENUES	18,514	12,769
GROSS PROFIT	6,215	4,664
Research and development expenses (exclusive of depreciation and amortization reflected below)	4,381	3,445
General and administrative expenses (exclusive of depreciation and amortization reflected below)	6,129	2,612
Sales and marketing expenses (exclusive of depreciation and amortization reflected below)	4,290	2,911
Depreciation and amortization	1,021	896
Other expenses (change in fair value of contingent consideration)	25	358
TOTAL OPERATING EXPENSES	15,846	10,222
OPERATING LOSS	(9,631)	(5,558)
INTEREST EXPENSES	(4,447)	(2,942)
OTHER FINANCIAL INCOME (EXPENSES)	893	(10,005)
FINANCIAL EXPENSES, net	(3,554)	(12,947)
LOSS BEFORE INCOME TAX	(13,185)	(18,505)
INCOME TAX	62	14
LOSS FOR THE PERIOD	(13,247)	(18,519)
OTHER COMPREHENSIVE LOSS, net of tax		
NET ACTUARIAL GAIN (LOSS)	235	(364)
FOREIGN CURRENCY TRANSLATION GAIN (LOSS)	(587)	807
RECLASSIFICATION OF FAIR VALUE GAIN ON CHANGES OF OWN CREDIT RISK	(556)	—
FAIR VALUE GAIN (LOSS) ON CHANGES OF OWN CREDIT RISK	(5,065)	105
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	(5,973)	548
NET COMPREHENSIVE LOSS	$ (19,220)	$ (17,971)
LOSS PER SHARE BASIC AND DILUTED	$ (2.51)	$ (6.63)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING USED IN COMPUTATION OF BASIC AND DILUTED LOSS PER SHARE	5,276,210	2,793,004

The above share information has been adjusted to reflect the share split as discussed in note 2h.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

GAUZY LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN REDEEMABLE CONVERTIBLE PREFERRED SHARES AND CAPITAL DEFICIENCY
(Unaudited)
(U.S. dollars in thousands, except per share data)

	Redeemable Convertible Preferred Shares												
	Convertible Preferred Shares A		Convertible Preferred Shares B		Convertible Preferred Shares C		Convertible Preferred Shares D		Ordinary shares		Additional paid-in capital	Accumulated other comprehensive Income (loss)	Accumulated deficit
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
BALANCE AT JANUARY 1, 2024	2,192,611	$15,686	333,366	$ 2,292	590,059	$ 8,967	1,587,881	$43,592	5,276,184	$ 320	$ 35,134	$ (515)	$ (171,830)
CHANGES DURING THE THREE MONTHS ENDED MARCH 31, 2024													
Exercise of options and warrants									1,084	*			
Other comprehensive loss												(5,973)	
Share-based compensation											2,160		
Net loss													(13,247)
BALANCE AT MARCH 31, 2024	2,192,611	$15,686	333,366	$ 2,292	590,059	$ 8,967	1,587,881	$43,592	5,277,268	$ 320	$ 37,294	$ (6,488)	$ (185,077)

* Less than $1 thousands

The above share information has been adjusted to reflect the share split as discussed in note 2h.

GAUZY LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN REDEEMABLE CONVERTIBLE PREFERRED SHARES AND CAPITAL DEFICIENCY
(Unaudited) — (Continued)
(U.S. dollars in thousands, except per share data)

	Redeemable Convertible Preferred Shares												
	Convertible Preferred Shares A		Convertible Preferred Shares B		Convertible Preferred Shares C		Convertible Preferred Shares D		Ordinary shares		Additional paid-in capital	Accumulated other comprehensive Income (loss)	Accumulated deficit	D
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount				
BALANCE AT JANUARY 1, 2023	3,653,293	$25,123	333,366	$ 2,292	1,522,532	$23,253	1,618,904	$44,451	2,786,413	$ 164	$ 6,952	$ (1,742)	$ (92,563)	$
CHANGES DURING THE THREE MONTHS ENDED MARCH 31, 2023														
Exercise of options and warrants									7,232	1				
Issuance of preferred shares, net of issuance expenses							42,340	1,187						
Other comprehensive income (loss)														
Share-based compensation												548		
Net loss											422			
BALANCE AT MARCH 31, 2023													(18,519)	
	3,653,293	$25,123	333,366	$ 2,292	1,522,532	$23,253	1,661,244	$45,638	2,793,645	$ 165	$ 7,374	$ (1,194)	$ (111,082)	$(

The above share information has been adjusted to reflect the share split as discussed in note 2h.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

GAUZY LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(U.S. dollars in thousands)

	Three months ended March 31	
	2024	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (13,247)	$ (18,519)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,528	1,377
Gain (loss) from disposal and sale of fixed assets	(82)	179
Unrealized losses (gains) on restricted marketable securities	(533)	367
Share-based compensation	2,160	422
Earn-out liability Revaluation	25	358
Non-cash financial expenses	2,825	11,769
Changes in operating assets and liabilities:		
Trade receivables	(769)	519
Other current assets	179	(333)
Institutions	(380)	(343)
Inventories	(1,318)	(1,443)
Operating lease assets	464	577
Other non-current assets	13	(45)
Trade payables	2,688	1,060
Accrued expenses	(200)	385
Payment of Earn-out	(328)	—
Other current liabilities	22	(8)
Other long-term liabilities	375	167
Employee related obligations	(221)	594
Employee rights upon retirement	30	(200)
Deferred revenues	99	(322)
Operating lease liabilities	(268)	(554)
Net cash used in operating activities	(6,938)	(3,993)
CASH FLOWS FROM INVESTMENT ACTIVITIES:		
Purchases of property and equipment	(1,420)	(1,423)
Net cash used in investing activities	(1,420)	(1,423)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments in respect of bank borrowings	(473)	(549)
Proceeds from exercise of options into ordinary shares	*	1
Financial lease payments	(56)	(85)
Proceeds from (payments to) short term loan relating to factoring arrangements, net	72	(955)
Proceeds from (payment to) of redeemable convertible preferred shares	—	1,316
Settlement of Phantom warrants	(1,500)	—
Proceeds from issuance of convertible loans	5,550	7,560
Proceeds from long term debt measured under the fair value option	27,254	—
Repayment of long-term debt measured under the fair value option	(24,600)	—
Net cash provided by financing activities	6,247	7,288

GAUZY LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS — (Continued)
(Unaudited)
(U.S. dollars in thousands)

	Three months ended March 31	
	2024	**2023**
INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(2,111)	1,872
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	(47)	29
BALANCE OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF YEAR	4,705	4,696
BALANCE OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR	$ 2,547	$ 6,597
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH REPORTED IN THE CONSOLIDATED BALANCE SHEETS:		
Cash and cash equivalents	$ 2,419	$ 6,470
Restricted cash	128	127
TOTAL CASH, CASH EQUIVALENTS AND RESTRICTED CASH SHOWN IN STATEMENT OF CASH FLOWS	$ 2,547	$ 6,597
SUPPLEMENTARY INFORMATION ON INVESTING AND FINANCING ACTIVITIES NOT INVOLVING CASH FLOWS:		
Purchases of property and equipment	$ —	$ (123)
Right-of-use assets obtained in exchange for lease obligations: Operating leases	$ 40	$ 33
Sale of property and equipment	$ 207	—
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Interest paid	$ (1,247)	$ (1,067)

* Less than $1 thousands

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

GAUZY LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(U.S. dollars in thousands, except share and per share amounts)

NOTE 1 — NATURE OF OPERATIONS:

a. Gauzy Ltd. (the "Company") was incorporated in Israel in 2009. The Company is engaged in the development, manufacturing and supply of technologies for operating and control of complex materials.

b. The Company established wholly owned subsidiaries in the United States of America (the "U.S. Subsidiary") for the purpose of marketing and selling the Company's products in the United States, in Germany (the "German Subsidiary") for the purpose of producing, marketing and selling the Company's products in Germany, and in China (the "Chinese Subsidiary"), for the purpose of marketing and selling the Company's products in China.

c. On January 26, 2022, the Company obtained Control of Vision Lite SAS, a French société par actions simplifiée hereinafter, "Vision", the Company and Vision together — "the Group". Vision is engaged in the aeronautics, automotive, railway and marine industries. See Note 3 in the 2023 annual financial statements.

d. In December 2022, the Company established a branch in South Korea located in Seoul, for the purpose of marketing and selling the Company's products in South Korea, named Gauzy Ltd Korea. As of March 31, 2024 there has been no activity in the branch.

e. As of March 31, 2024, the Company had an accumulated deficit of $185,077. During the three months ended March 31, 2024, the Company incurred operating losses of $9,631 and had negative cash flows from operating activities of $6,938. The Company has financed its operations mainly through the issuance of shares through private financing rounds, debt financing, warrants and Note Purchase Agreement (NPA), refer to Notes 9, 14, 15 and 22 in the 2023 annual financial statements. In January 2024, the Group entered into an additional note purchase agreement, the 2024 NPA, see Note 3a. In accordance with Group's management assessment its existing cash and cash equivalents, the credit facility (NPA) and the 2024 NPA as of the issuance date of these financial statements, along with the Group's estimated revenues provide sufficient resources to fund its planned operations through at least the next 12 months. As to the longer term, unless the Group reaches sufficient positive cash flows from its operations and available funds at a credit facility (NPA), it may be required to obtain further funding through public or private offerings, debt financings or other sources. Adequate additional funding may not be available to the Group on acceptable terms, or at all. If the Group is unable to raise capital when needed or on attractive terms, it may need to reduce, delay, or adjust its operating expenses.

f. In October 2023, Hamas terrorists infiltrated Israel's southern border from the Gaza Strip and conducted a series of attacks on civilian and military targets. Following the attack, Israel's security cabinet declared war against Hamas and commenced a military campaign against Hamas and other terrorist organizations.

The Company's headquarters and one of its production sites is located in Tel Aviv, Israel. As of the issuance date of these consolidated financial, the conflict between Israel and Hamas has not had a material impact on the Company's revenue, results of operations or financial position if at all. The Company cannot currently predict the intensity or duration of Israel's war against Hamas, however, as most of the company's productions sites are not located in Israel and that its revenues mostly generated worldwide, the Company does not believe the recent terrorist attack and the subsequent declaration of war by the Israeli government against the Hamas terrorist organization will have any material impact on its ongoing operations in Israel. The Company continues to monitor its ongoing activities and will make any needed adjustments to ensure continuity of its business, while supporting the safety and well-being of its employees.

GAUZY LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(U.S. dollars in thousands, except share and per share amounts)

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of presentation

There have been no material changes in our significant accounting policies as described in our financial statements for the year ended December 31, 2023, other than as stated below.

The Company's financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") and applicable rules and regulations of the Securities and Exchange Commission ("SEC") for interim financial reporting. The accompanying unaudited condensed consolidated financial statements have been prepared on the same basis as the 2023 annual consolidated financial statements. In the opinion of management, the financial statements reflect all normal and recurring adjustments necessary to fairly state the financial position and results of operations of the Company. The information included in these condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and accompanying notes included in the Company's 2023 annual financial statements.

b. Use of estimates

In preparing the Company's consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, equity and disclosure of contingent liabilities and assets at the dates of the financial statements and the reported amounts of revenues and expenses during the reported years. Actual results could differ from those estimates.

The Company's results of operations for the three months ended March 31, 2024 are not necessarily indicative of results that could be expected for the entire fiscal year.

c. Revenue recognition

As of March 31, 2024, the Company does not have any contracts for the provision of goods that result in the material contract assets and contract liabilities.

As permitted by ASC 606, the Company does not disclose information on unearned revenue as it generally enters into binding contracts for a period of one year or less.

d. Concentration of credit risks

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and cash equivalents, restricted cash, bank deposits, marketable securities and accounts receivable. The Company deposits cash and cash equivalents mostly with a single highly rated financial institution. The Company has not experienced any material credit losses in these accounts and does not believe it is exposed to significant credit risk on these instruments.

For the periods ended March 31, 2024, and December 31, 2023, the Company's largest customer represented 11.9% and 6.9% of accounts receivable, net, respectively.

e. Goodwill

Following the separation of the architecture and automotive segment into the two operating segments (see Note 4), the Company reallocated goodwill to its reorganized reporting units using a relative fair value approach. The Company performed an impairment analysis for these two reporting units. Based on the Company's assessment as of date of the change in the reporting units, and December 31, 2023, its annual impairment assessment date, it was concluded that the fair value of each of the architecture and automotive reporting units exceeded its carrying amount and therefore no goodwill impairment was required.

GAUZY LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(U.S. dollars in thousands, except share and per share amounts)

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES: (cont.)

f. Fair value measurement

Fair value is based on the price that would be received from the sale of an asset or that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, the guidance establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described as follows:

Level 1:	Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
Level 2:	Observable prices that are based on inputs not quoted on active markets, but corroborated by market data or active market data of similar or identical assets or liabilities.
Level 3	Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and considers counterparty credit risk in its assessment of fair value.

g. Loans and Convertible Loans issued

Under the Fair Value Option Subsection of ASC Subtopic 825-10, Financial Instruments — Overall ("ASC 825"), the Company has an irrevocable option to designate certain financial assets and financial liabilities at fair value on an instrument-by-instrument basis, with changes in fair value reported in the statement of operations. Changes in fair value do not include accrued interest on debt instruments. Any changes in the fair value of liabilities resulting from changes in instrument-specific credit risk are reported in other comprehensive loss. The Company separately measures changes attributed to instrument-specific credit risk by calculating the difference between the overall change in the fair value of the instrument and the change attributed to fluctuations in the relevant risk-free benchmark rate.

The Company elected the fair value option for its NPAs and for its CLAs, as defined in Note 3 and Note 8.

h. Share split

On May 28, 2024 the board of directors approved a forward share split (the "Share Split"), that was approved by the shareholders and became effective on May 28, 2024. The Share Split results in a four point four-for-one (4.390914:1) share split of the Company's Preferred and Ordinary shares. No fractional shares were issued in connection with the Share Split. These financial statements have been adjusted retrospectively for the Share Split.

GAUZY LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 3 — OTHER SIGNIFICANT TRANSACTIONS AND AGREEMENTS DURING THE THREE MONTHS ENDED MARCH 31, 2024:

a. In January 2024, the Group entered into an additional note purchase agreement, the 2024 NPA, with OIC and affiliated funds (hereinafter "2024 Note Purchases").

Under the 2024 NPA, the 2024 Note Purchasers extended financing to Vision Lite in the principal amount of $23.5 million, which was utilized and drawn down in full by way of issuance and sale of senior secured notes, or the 2024 Notes. In connection with the closing of the 2024 Note Purchase Agreement, the Company repaid the amounts owed under the Facility Agreement, other than with respect to certain amounts under the "phantom warrant" (see Note 3(b)). In addition, under certain conditions, the Company may draw down an additional $2.5 million prior to April 1, 2024 under the 2024 Note Purchase Agreement by way of issuance and sale of additional 2024 Notes. On April 5, 2024, the Group received an additional amount of $1.895 million under the 2024 NPA, net of withdraw fees and reimbursed costs (see Note 12(a)).

In addition, under the 2024 NPA, the 2024 Note Purchasers extended a commitment to purchase additional notes in an amount of up to $15.0 million (which commitment will be reduced on a dollar-for-dollar basis by any amounts invested by the 2024 Note Purchasers to the Company's equity securities, including in an initial public offering, or the Second Tranche Notes). This commitment may be exercised following the consummation of an Eligible IPO, defined in the 2024 Note Purchase Agreement as an initial public offering that is completed within 12 months from the closing date of the 2024 Note Purchase Agreement, with gross proceeds of at least $60 million (excluding any shares as may be purchased by any 2024 Note Purchaser (or their affiliates) in such initial public offering). The Second Tranche Notes will be convertible at our discretion into our ordinary shares at a conversion price equal to (i) during the first 90 days after the closing of the Eligible IPO, the price per share in the Eligible IPO, and (ii) thereafter, the 30-day volume weighted average trading price of our ordinary shares. The Company will, subject to applicable law, provide the 2024 Note Purchasers notice prior to the expected pricing date of an Eligible IPO, and if an Eligible IPO does not occur within a prescribed period following such notice, then the 2024 Note Purchasers will be entitled to require that Vision Lite issue the Second Tranche Notes, and those notes will be repaid within three months after their issuance (or a later date approved by the 2024 Note Purchasers).

The 2024 Notes bear annual interest, payable quarterly, and are due on November 8, 2028, provided that 2024 Notes may be subject to partial prepayment following the date the annual financial statements of the Company are due to be delivered in accordance with the 2024 Note Purchase Agreement, in an amount equal to 25% of the excess cash flow calculated in accordance with the terms of the 2024 Note Purchase Agreement. Subject to certain conditions specified therein, the 2024 Notes may be voluntarily prepaid at any time.

Amounts owing under the 2024 Note Purchase Agreement, including the principal, interest and fees payable on any issued 2024 Notes, are secured by first-ranking liens on our and certain of our subsidiaries' assets.

In connection with the 2024 Note Purchase Agreement, the Company issued to the 2024 Note Purchasers warrants, or the 2024 Note Purchaser Warrants, to purchase up to 616,678 series D-5 preferred shares of the Company (and from and after this offering, such number of ordinary shares of the Company that the aforementioned number of Preferred D-5 Shares would have converted into upon the consummation of this offering if issued prior to this offering). Under certain circumstances upon the completion of this offering, the number of ordinary shares of the Company issuable under the 2024 Note Purchaser Warrants may be increased by up to 137,040 ordinary shares. The 2024 Note Purchaser Warrants are exercisable until November 8, 2028 at a price per share equal to: (a) the price per share issued in the

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NOTE 3 — OTHER SIGNIFICANT TRANSACTIONS AND AGREEMENTS DURING THE THREE MONTHS ENDED MARCH 31, 2024: (cont.)

initial underwritten public offering of the Company's shares, if completed on or prior to March 31, 2024, or otherwise, (b) the price of a Preferred D-5 share as determined by the latest 409A valuation of us completed between April 1, 2024 and June 30, 2024.

The Company applied the Fair Value option to the 2024 NPA, see note 2(g). The company measures the warrants to preferred D5 shared at fair value.

b. During February 2024, The Company paid $1.5 million of the phantom warrants in relation to the repayment of the Facility Loans (see note 16(d) in the 2023 annual financial statements).

c. In March 14, 2024 the Company paid $328 (€300) of the Earn-out liability. In March 2024 the Company further amended the Earn-Out Agreement, with one of the Sellers, such that the Company shall use its best efforts to pay the relevant portion of the Second Earn-Out totaling to $1.3 million (€1.15 million) by April 25, 2024, instead of $1.4 million (€1.3 million). In the event that the Company does not pay such an amount by April 25, 2024, the relevant portion of the Second Earn-Out payment shall increase to the original amount of $1.4 million (€1.3 million). In May 2024 the Company paid $321 (€300). For the amendment of the Earn-Out agreement, with one of the sellers, see Note 12b.

d. In February 2024, certain members of the Company's executive management, including mainly the chief executive officer and chief technology officer, collectively sold in a privately negotiated transaction a number of ordinary shares representing less than 10% of their personal collective holdings to a number of the Company's existing shareholders for an aggregate purchase price of approximately $3.0 million. All of the shares purchased and sold in this transaction are restricted securities and are not being registered pursuant to the Company's prospectus and are subject to lock-up agreements with the underwriters of the Company's offering that restrict the holders' ability to transfer these shares for a period of 180 days from the date of the Company's prospectus. The Company determined that the sale contains a compensatory element, and therefore an incremental compensation expense was recognized in the amount of $1,572 as stock-based compensation.

NOTE 4 — OPERATING SEGMENTS AND GEOGRAPHICAL INFORMATION

The Company operates its business and reports its financial results in four operating segments:

a. Architecture — this segment focuses on sales for both interior and exterior applications for commercial, retail, residential, healthcare and hospitality customers.

b. Automotive — this segment focuses on sales that enable OEMs to incorporate Company's technology into glass rooftops, side windows and windshields to replace conventional mechanical sun visors and shades.

c. Safety tech — this segment focuses on sales of advanced driver assistance systems for buses, coaches, recreational vehicles and specific vehicles, such as camera and motion sensor systems, smart mirrors and safety doors.

d. Aeronautics — this segment focuses on the sale of shading and cabin management systems in private and commercial aircraft and helicopters.

The Company's Chief Executive Office ("CEO") was identified as the chief operating decision maker ("CODM"). The CODM reviews the financial information based on the Group's financial statements, accompanied by disaggregated information about revenues and gross margin to make decisions about resources to be allocated to the segments and assess their performance.

GAUZY LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 4 — OPERATING SEGMENTS AND GEOGRAPHICAL INFORMATION (cont.)

The Company's segments structure has been updated and the architecture segment and the automotive segment presented separately as of January 2024 and the CODM reviews this segment structure.

a. Segment Information:

	For the period of three months ended March 31, 2024				
	Architecture	**Automotive**	**Safety tech**	**Aeronautics**	**Total**
Revenues from external customers	2,630	1,306	10,657	10,136	24,729
Intersegment revenues	—	—	—	979	979
Gross profit (loss) (segment profit)	760	(385)	1,529	4,635	6,539

	For the period of three months ended March 31, 2023				
	Architecture	**Automotive**	**Safety tech**	**Aeronautics**	**Total**
Revenues from external customers	3,016	150	7,272	6,995	17,433
Intersegment revenues	—	—	—	—	—
Gross profit (loss) (segment profit)	1,033	(44)	1,390	2,603	4,982

	For the three months ended, March 31,	
	2024	**2023**
Total revenues for reportable segments	$ 25,708	$ 17,433
Elimination of intersegment revenues	(979)	—
Total consolidated revenues	24,729	17,433
Total reportable segment profit	6,539	4,982
Amounts not allocated to segments:		
Amortization of Technology and lease assets included in cost of revenues	324	318
Research and development expenses, net	4,381	3,445
General and administrative expenses	6,129	2,612
Sales and marketing expenses	4,290	2,911
Depreciation and amortization	1,021	896
Other expenses	25	358
Consolidated operating loss	(9,631)	(5,558)
Financial expenses, net	(3,554)	(12,947)
Consolidated loss before income taxes	$ (13,185)	$ (18,505)

b. Geographical information:

The following table summarizes revenue by region based on the shipping address of customers:

	For the three months ended March 31,	
	2024	**2023**
United States	$ 7,268	$ 4,968
Israel	261	511
France	5,095	5,323
Rest of Europe	7,925	5,333
Asia	2,968	1,165
Rest of world	1,212	133
	$ 24,729	$ 17,433

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 5 — INVENTORIES:

Inventories consisted of the following:

	March 31, 2024	December 31, 2023
Finished products	$ 1,392	$ 1,163
Raw and packaging materials	12,663	11,882
Products in process	185	129
	$ 14,240	$ 13,174

The Company recorded inventory write-downs in the amount of $104 and $41 for the three months ended on March 31, 2024 and 2023, respectively and in the amount of $238 for the year ended on December 31, 2023. These write-downs are linked to slow-moving inventory.

NOTE 6 — FAIR VALUE MEASUREMENTS:

a. Financial instruments measured at fair value on a recurring basis

The Company's assets and liabilities that are measured at fair value as of March 31, 2024, and December 31, 2023, are classified in the tables below in one of the three categories described in "Note 2bb — Fair value measurement" in the 2023 annual financial statements:

	March 31, 2024		
	Level 1	Level 3	Total
Financial Assets			
RFI Shares	$ 2,390		$ 2,390
Financial Liabilities			
Warrants and phantom warrants		26,829	26,829
CLAs		64,907	64,907
NPAs		45,037	45,037
Earn-out liability		2,694	2,694
Other		$ 186	$ 186

	December 31, 2023		
	Level 1	Level 3	Total
Financial Assets			
RFI Shares	$ 1,857		$ 1,857
Financial Liabilities			
Warrants and phantom warrants		21,566	21,566
CLAs		55,940	55,940
NPA		21,976	21,976
Earn-out liability		2,997	2,997
Facility loans		23,151	23,151
Other		$ 186	$ 186

GAUZY LTD.
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NOTE 6 — FAIR VALUE MEASUREMENTS: (cont.)

The following is a roll forward of the fair value of liabilities classified under Level 3:

	Three months ended March 31, 2024					
	Warrants*	CLAs	NPAs	Facility loans	Earn-out liability	Other
January 1 ,2024	$ 21,566	$ 55,940	$ 21,976	$ 23,151	$ 2,997	$ 186
Issuance	9,553	5,550	17,701	—	—	—
Payment	(1,500)	—	—	(24,600)	(328)	—
Change in fair value	(2,790)	3,417	5,360	1,449	25	—
March 31, 2024	$ 26,829	$ 64,907	$ 45,037	$ —	$ 2,694	$ 186

	Three months ended March 31, 2023				
	Warrants*	CLAs	Facility loans	Earn-out liability	Other
January 1 ,2023	$ 8,267	$ 3,809	$ 29,745	$ 3,917	$ 185
Issuance	129	7,560	—	—	—
Change in fair value	3,100	7,271	1,435	358	—
March 31, 2023	$ 11,496	$ 18,640	$ 31,180	$ 4,275	$ 185

* Including 'phantom warrants', see Note 16(d) in the 2023 annual financial statements.

The fair value of the above liabilities, based on the Company's share price that are classified as Level 3 for the March 31, 2024 and 2023 valuation were estimated using a hybrid model in order to reflect two scenarios: (1) IPO event and (2) other liquidation events. The IPO scenario was based on the fair value of the Company's business based on management estimation. The other liquidation events scenarios were based on various market indications using an option pricing model (OPM) (income approach-based valuation technique). Application of these approaches and methodologies involves the use of estimates, judgments, and assumptions that are highly complex and subjective, such as those regarding the Company's expected future revenue, expenses, and future cash flows, discount rates, the selection of comparable public companies, and the probability of and timing associated with possible future events.

The following table presents the main assumptions used in the hybrid model for the periods presented:

	March 31,	
	2024	2023
Expected volatility	44.58%	44.41%
Assumptions regarding the price of the underlying shares:		
Probability of an IPO scenario	30%	25%
Expected time to IPO (years)	0.5	0.75
Probability of liquidation events	70%	75%
Expected time to liquidation (years)	2.0	2.0

A significant increase in the expected volatility, probability of IPO, in isolation, could increase the fair value of the related instruments. A significant decrease in expected term or expected time to IPO, in isolation, could decrease the fair value of related instruments. In combination, changes in these inputs could result in a significantly higher or lower fair value measurement if the input changes were to be aligned or could result in a minimally higher or lower fair value measurement if the input changes were of a compensating nature.

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NOTE 6 — FAIR VALUE MEASUREMENTS: (cont.)

As of December 2023, the Second Earn Out Period was met. As of March 31, 2024 the contingent consideration updated to $2.82 million (€2.55 million) and presented discounted using Company's debt interest rate considering total payment of $2.0 million (€1.8 million) made at December 2023 and March 2024

The fair value of the contingent consideration arrangement as of March 31, 2023 was estimated by applying a Monte Carlo simulation methodology. That measure is based on significant inputs that are not observable in the market, i.e. — Level 3 inputs. Key assumptions include:

	2023
Time to Maturity	0.75
Risk Free Rate	4.79%
Volatility	29.84%

b. Financial instruments measured not at fair value on a recurring basis

Financial instruments not recorded at fair value on a recurring basis include cash and cash equivalents, restricted cash, bank deposits, trade receivables, trade and other payables and short-term borrowings. Due to their nature, their fair value approximates their carrying value.

The fair value of Vision's bank loans approximates their carrying value.

NOTE 7 — REDEEMABLE CONVERTIBLE PREFERRED SHARES AND SHAREHOLDERS' EQUITY:

a. As of March 31, 2024 and December 31, 2023, the share capital is composed of0.23 NIS par value shares, as follows:

	March 31, 2024			
	Authorized	Issued and paid	Carrying Value	Liquidation Preference
Ordinary Shares	17,865,497	5,277,268	$ 320	
Preferred A Shares	1,343,233	755,566	$ 5,804	
Preferred A-1 Shares	235,677	—	—	
Preferred A-2 Shares	257,061	—	—	
Preferred A-3 Shares	1,835,964	1,437,045	$ 9,882	
Preferred B Shares	439,091	333,366	$ 2,292	
Preferred C Shares	2,195,457	590,059	$ 8,967	$ 9,039
Preferred D Shares	2,195,457	1,587,881	$ 43,592	$ 64,152
Preferred D-1 Shares	1,602,683	—	—	—
Preferred D-2 Shares	1,646,592	—	—	—
Preferred D-3 Shares	878,182	—	—	—
Preferred D-4 Shares	1,251,410	—	—	—
Preferred D-5 Shares	1,646,592	—	—	—
Preferred D-6 Shares	373,227	—	—	—

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NOTE 7 — REDEEMABLE CONVERTIBLE PREFERRED SHARES AND SHAREHOLDERS' EQUITY: (cont.)

	December 31, 2023			
	Authorized	Issued and paid	Carrying Value	Liquidation Preference
Ordinary Shares	16,987,315	5,276,184	$ 320	
Preferred A Shares	1,343,233	755,566	$ 5,804	
Preferred A-1 Shares	235,678	—	—	
Preferred A-2 Shares	257,062	—	—	
Preferred A-3 Shares	1,835,964	1,437,045	$ 9,882	
Preferred B Shares	439,091	333,366	$ 2,292	
Preferred C Shares	2,195,457	590,059	$ 8,967	$ 9,039
Preferred D Shares	2,195,457	1,587,881	$ 43,592	$ 64,152
Preferred D-1 Shares	1,602,684	—	—	—
Preferred D-2 Shares	1,646,593	—	—	—
Preferred D-3 Shares	878,183	—	—	—
Preferred D-4 Shares	1,251,411	—	—	—
Preferred D-5 Shares	768,410	—	—	—
Preferred D-6 Shares	373,228	—	—	—

b. In connection with the consummation of the 2024 NPA, on January 29, 2024, the shareholders of the Company adopted the amended and restated Articles of Association (the "2024 NPA Articles") which included the issuance of the a class of Series D-5 Preferred Shares, Series D-6 Preferred Shares to be issued in connection with the 2024 NPA. The 2024 NPA Articles included the following main changes:

Amendment of the Company's authorized shares:

The authorized share capital of the Company shall be NIS 33,766,123, comprised of an aggregate of 33,766,123 shares, divided into: 17,865,497 Ordinary Shares, 1,343,233 Preferred A Shares, 235,677 Preferred A-1 Shares, 257,061 Preferred A-2 Shares, 1,835,964 Preferred A-3 Shares, 439,091 Preferred B Shares, 2,195,457 Preferred C Shares, 2,195,457 Preferred D Shares, 1,602,683 Preferred D-1 Shares, 1,646,592 Preferred D-2 Shares, 878,182 Preferred D-3 Shares, 1,251,410 Preferred D-4 Shares, 1,646,592 Preferred D-5 Shares and 373,227 Preferred D-6 Shares.

NOTE 8 — CONVERTIBLE LOAN AGREEMENTS:

The Company entered into convertible loan agreements (the "CLA agreements") in 202o (the "CLA") and 2023 (the "2023 CLA") with several lenders (the CLA lenders).

As of March 31, 2024 and December 31, 2023 convertible loans composed as follows:

	Principal amount		
	March 31, 2024	December 31, 2023	Note
CLA	2,350	2,350	a
2023 CLA	32,775	27,225	b

a. During the first quarter of 2020, the Company entered into convertible loan agreement which latest amendment was signed on July 31, 2023 with several lenders, pursuant to which the CLA Lenders agreed to loan the Company a sum of $2.35 million.

The CLA conversion clauses and interest rate described in the 2023 annual financial statements (see note 15a).

GAUZY LTD.
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NOTE 8 — CONVERTIBLE LOAN AGREEMENTS: (cont.)

As of March 31, 2024, the balance of the CLA (including accrued interest) is convertible into 322,473 series C preferred shares.

b. During 2023 the Company entered into convertible loan agreements, with the CLA Lenders. As of March 31, 2024, a sum of $32.8 million was subscribed by the lenders. As of May 20, 2024 the Company has raised additional $6.2 million. The 2023 CLA was issued with warrants to purchase the most senior class of preferred shares of the Company existing immediately prior to the conversion. The exercise period under the accompanying warrants commencing on the date of conversion or repayment of the applicable CLA Lender's loan amount and ending on the fifth (5^{th}) anniversary of the date thereof.

The 2023 CLA conversion clauses described in the 2023 annual financial statements (see note 15b).

As the 2023 CLA contained embedded features not closely reatled to the host contract, the Company elected to apply the fair value option to it. The Company recorded financial expense amounting to $3,417 for the three months ended in March 31, 2024.

c. As of March 31, 2024 the aggregate unpaid principal balance of the Company's convertible loans is $35.1 million, including accrued interest totaling to $9.4 million. The difference between the fair value and unpaid convertible loans is $20.4 million.

d. On November 8, 2023 the Group entered a Note Purchase Agreement (the "NPA") among Chutzpah Holdings Ltd. a related party, ("Purchaser") as purchaser, administrative agent and collateral agent. Under the NPA, Purchaser extended a credit facility to the Group in an aggregate principal amount of $60.0 million, that may be utilized and drawn down by way of issuance and sale of senior secured notes ("Notes") to Purchaser. As of the date of these consolidated financial statements the Group withdrew $25.0 million. See also note 15(c) to the 2023 annual financial statements.

The Company applied the Fair Value option to the NPA, see note 2(dd) in the 2023 annual financial statements.

As of March 31, 2024, the required annual principal payments of NPA, starting from the April 2024, are as follows:

	March 31, 2024
2029 and thereafter	$ 25,000
Total	$ 25,000

As of March 31, 2024, the required annual principal payments of long-term debt, starting from April 2024, are as follows:

NOTE 9 — NONCONVERTIBLE LOANS:

	March 31, 2024
2024	$ 2,789
2025	3,967
2026	3,159
2027	5,208
2028 and thereafter	20,704
Total	$ 35,827

GAUZY LTD.
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NOTE 10 — NET LOSS PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS

The following table sets forth the computation of basic and diluted net loss per share attributable to ordinary shareholders for the periods presented:

	For the Three Months Ended	
	March 31, 2024	March 31, 2023
Numerator:		
Net loss for the period	$ (13,247)	$ (18,519)
Net loss attributable to ordinary shareholders, basic and diluted	$ (13,247)	$ (18,519)
Denominator:		
Weighted-average shares used in computing net loss per share attributable to ordinary shareholders, basic and diluted	5,276,210	2,793,004
Net loss per share attributable to ordinary shareholders, basic and diluted	$ (2.51)	$ (6.63)

The following instruments were not included in the computation of diluted EPS because of their anti-dilutive effect:

- Redeemable convertible preferred shares;
- Convertible loan agreements;
- Warrants to purchase convertible preferred shares;
- Simple agreements for future equity;
- Share-based compensation.

NOTE 11 — TRANSACTIONS AND BALANCES WITH RELATED PARTIES:

Transactions with related parties which are shareholders and directors of the Company:

a. Transactions:

	Three months ended March 31,	
	2024	2023
Share-based compensation to non-executive directors	$ 14	$ 14

b. Balances:

	March 31, 2024	December 31, 2023
Long-term liabilities —		
CLA's	$ 9,483	$ 9,780
NPA	$ 29,767	$ 21,976
Othe non-current liabilities	$ 736	$ —

GAUZY LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 12 — SUBSEQUENT EVENTS:

The Company's management has performed an evaluation of subsequent events through May xx, 2024, the date the financial statements were available to be issued, except for the effect of the share split described in note 2(h), as to which the date is May 28, 2024.

a. On April 4, 2024 the Group signed an amendment to the 2024 NPA such that additional Notes issued and purchased by the purchasers totaling to 2.5 million. On April 5, 2024, the Group received an additional amount of $1.895 million under the 2024 NPA, net of withdraw fees and reimbursed costs.

b. In April 2024 the Company further amended the Earn-Out Agreement, with one of the Sellers, such that the Company will pay the remaining portion of the Second Earn-Out totaling to $0.92 million (€0.85 million) within three business days following the consummation of Company's IPO or by June 15, 2024, whichever occurs first.

c. In relation to the 2023 CLA, an additional sum of $6.2 million was subscribed by the lenders to the Company during the second quarter of 2024, see Note 8(b).

d. In May 2024, the Company approved the granting options to purchase 554,330 ordinary shares to its employees and subcontractors at an exercise price of 0.23 NIS per share. The options vest over a four-year period, 25% of which vest on the first anniversary of the date of the grant, and the remaining amount vest over the following three years in equal parts at the end of each subsequent fiscal quarter, subject to continued employment or service with the Company at the time of vesting. The options expire 10 years from the date of grant.

e. In May 2024, the Company's Board of Directors approved, subject to and following an IPO event, to distribute bonus payments to certain employees and consultants up to an amount of $537.5 and distribute bonus payments to certain officers up to $1,075, in each case subject to the price per share in an IPO event.

Events Subsequent to Original Issuance of Financial Statements (Unaudited)

In connection with the reissuance of the financial statements, the Company has evaluated subsequent events through May 29, 2024, the date the financial statements were available to be reissued.

f. On May 28, 2024 the board of directors approved a forward share split (the "Share Split"), that was approved by the shareholders and became effective on May 28, 2024. See note 2h.

g. During the second quarter of 2024, certain Preferred D Shares were converted to a total of 10,600 Ordinary Shares (adjusted to reflect the share split as discussed in note 2h).

h. During May 2024, majority of the Series D SPA preferred shareholders consent to waiver the preferred D conversion adjustment mechanism (see note 14(d) in the annual financial statements) with connection to an IPO.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Gauzy Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Gauzy Ltd. and its subsidiaries (the "Company") as of December 31, 2023 and 2022, and the related consolidated statements of operations and comprehensive loss, of changes in redeemable convertible preferred shares and capital deficiency and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended 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 of these consolidated financial statements 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.

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 audits 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.

Tel-Aviv,	/s/ Kesselman & Kesselman
April 12, 2024, except for the effects of the stock split discussed in Note 2ii to the financial statements, as to which the date is May 28, 2024	Certified Public Accountants (Isr.) A member firm of PricewaterhouseCoopers International Limited

We have served as the Company's auditor since 2012

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GAUZY LTD.
CONSOLIDATED BALANCE SHEETS
(U.S. dollars in thousands, except share data)

	December 31	
	2023	2022
Assets		
CURRENT ASSETS:		
Cash and cash equivalents	$ 4,575	$ 4,566
Restricted cash	130	130
Trade receivables, net of allowance for credit losses of $904 and $670 as of December 31, 2023 and 2022, respectively	19,671	13,692
Institutions	6,926	6,384
Inventories	13,174	10,540
Other current assets	2,045	640
TOTAL CURRENT ASSETS	46,521	35,952
NON-CURRENT ASSETS:		
Restricted long-term bank deposit	127	128
Restricted investment in marketable securities	1,932	3,584
Operating lease right of use assets	12,377	8,971
Property and equipment, net	20,530	17,473
Other non-current assets	1,000	784
Intangible assets:		
Customer relationships	13,917	14,458
Technology	5,698	7,311
Goodwill	21,550	20,780
Other intangible asset	4,292	99
TOTAL NON-CURRENT ASSETS	81,423	73,588
TOTAL ASSETS	$ 127,944	$ 109,540
Liabilities, redeemable convertible preferred shares and capital deficiency		
CURRENT LIABILITIES:		
Short-term borrowing and current maturities of bank loan	$ 4,146	$ 4,165
Short-term loan relating to factoring arrangements	10,032	7,544
Trade payables	13,989	11,729
Employee related obligations	8,745	6,529
Accrued expenses	6,767	3,790
Deferred revenues	742	2,417
Current maturities of operating lease liabilities	2,494	2,121
Current maturities of finance lease liabilities	240	295
Acquisition earn-out liability	2,997	3,199
Current maturities of long-term debt measured under the fair value option	14,286	9,044
Other current liabilities	448	393
TOTAL CURRENT LIABILITIES	64,886	51,226

GAUZY LTD.
CONSOLIDATED BALANCE SHEETS — (Continued)
(U.S. dollars in thousands, except share data)

	December 31	
	2023	**2022**
LONG-TERM LIABILITIES:		
Long-term debt measured under the fair value option (including $21,976 due to related parties as of December 31, 2023)	30,841	20,701
Convertible loans (CLAs) measured under the fair value option (including $9,780 and $567 due to related parties as of December 31, 2023 and 2022, respectively)	55,940	3,809
Long-term bank loan	7,850	8,904
Warrants and phantom warrants to purchase preferred shares	21,566	8,267
Operating lease liabilities	9,112	6,581
Finance lease liabilities	96	278
Acquisition earn-out liability	—	718
Long-term Employee related obligations	1,868	—
Employee rights upon retirement	1,208	708
Other long-term liabilities	931	418
TOTAL LONG-TERM LIABILITIES	129,412	50,384
COMMITMENTS AND CONTINGENT LIABILITIES (see Note 11)		
TOTAL LIABILITIES	$ 194,298	$ 101,610
REDEEMABLE CONVERTIBLE PREFERRED SHARES:		
Convertible Preferred Shares A, A-1, A-2 and A-3 (hereafter "Preferred Shares A") (NIS 0.23 par value per share, 3,671,937 shares authorized as of December 31, 2023 and December 31, 2022, 2,192,611 and 3,653,293 issued and outstanding as of December 31, 2023 and December 31, 2022, respectively);		
Convertible Preferred Shares B (NIS 0.23 par value per share, 439,091 shares authorized as of December 31 and December 31, 2022, 333,366 issued and outstanding as of December 31, 2023 and December 31, 2022, respectively);		
Convertible Preferred Shares C (NIS 0.23 par value per share, 2,195,457 shares authorized as of December 31, 2023 and December 31, 2022, 590,059 and 1,522,532 issued and outstanding as of December 31, 2023 and December 31, 2022, respectively; aggregate liquidation preference of $9,039 and $23,325 as of December 31, 2023 and December 31, 2022, respectively)		
Convertible Preferred Shares D (NIS 0.23 par value per share, 2,195,457 and 1,756,366 shares authorized as of December 31, 2023 and December 31, 2022 respectively, 1,587,881 and 1,618,904 issued and outstanding as of December 31, 2023 and December 31, 2022, respectively; aggregate liquidation preference of $64,152 and $65,406 as of December 31, 2023 and December 31, 2022)		
TOTAL REDEEMABLE CONVERTIBLE PREFERRED SHARES	$ 70,537	$ 95,119
CAPITAL DEFICIENCY:		
Ordinary shares (NIS 0.23 par value per shares, 16,987,315 and 12,574,446 shares authorized as of December 31, 2023 and 2022 respectively; 5,276,184 and 2,786,413 shares issued and outstanding as of December 31, 2023 and 2022)	320	164
Additional paid-in capital	35,134	6,952
Other comprehensive loss	(515)	(1,742)
Accumulated deficit	(171,830)	(92,563)
TOTAL CAPITAL DEFICIENCY	$ (136,891)	$ (87,189)
TOTAL LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED SHARES AND CAPITAL DEFICIENCY	$ 127,944	$ 109,540

* The above share information has been adjusted to reflect the share split as discussed in note 2ii

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

GAUZY LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(U.S. dollars in thousands, except per share data)

	Year ended December 31	
	2023	**2022**
REVENUES (including $0 and $53 from related party, respectively)	$ 77,980	$ 49,033
Cost of revenues (including $0 and $71 from related party, respectively, exclusive of depreciation and amortization)	55,992	37,457
Depreciation and amortization	2,047	1,889
TOTAL COST OF REVENUES	58,039	39,346
GROSS PROFIT	19,941	9,687
Research and development expenses (exclusive of depreciation and amortization reflected below)	16,035	12,216
General and administrative expenses (exclusive of depreciation and amortization reflected below)	16,187	12,856
Sales and marketing expenses (exclusive of depreciation and amortization reflected below)	15,302	10,693
Depreciation and amortization	3,664	3,711
Change in fair value of acquisition earn-out liability	747	2,594
TOTAL OPERATING EXPENSES	51,935	42,070
OPERATING LOSS	(31,994)	(32,383)
OTHER INCOME	32	—
INTEREST EXPENSE	(13,493)	(3,759)
OTHER FINANCIAL EXPENSES	(33,629)	(1,717)
FINANCIAL EXPENSES, net	(47,122)	(5,476)
LOSS BEFORE INCOME TAX	(79,084)	(37,859)
INCOME TAX	183	44
LOSS FOR THE PERIOD	$ (79,267)	$ (37,903)
OTHER COMPREHENSIVE LOSS, net of tax		
NET ACTUARIAL GAIN	(367)	555
FOREIGN CURRENCY TRANSLATION GAIN (LOSS)	1,151	(2,410)
FAIR VALUE GAIN ON CHANGES OF OWN CREDIT RISK	443	113
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	$ 1,227	$ (1,742)
TOTAL NET COMPREHENSIVE LOSS	$ (78,040)	$ (39,645)
LOSS PER SHARE, BASIC AND DILUTED	$ (18.19)	$ (13.65)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING USED IN COMPUTATION OF BASIC AND DILUTED LOSS PER SHARE	4,356,665	2,776,678

* The above share information has been adjusted to reflect the share split as discussed in note 2ii

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

GAUZY LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN REDEEMABLE CONVERTIBLE PREFERRED SHARES AND CAPITAL DEFICIENCY
(U.S. dollars in thousands, except per share data)

	Redeemable Convertible Preferred Shares													
	Convertible Preferred Shares A		Convertible Preferred Shares B		Convertible Preferred Shares C		Convertible Preferred Shares D		Ordinary shares		Additional paid-in capital	Accumulated other comprehensive Income (loss)	Accumulated deficit	T ca defi
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount				
BALANCE AT JANUARY 1, 2022	3,653,293	$25,123	333,366	$ 2,292	1,522,532	$ 23,253	—	—	2,768,239	$ 163	$ 5,274	—	$ (54,660)	$ (4
CHANGES DURING 2022:														
Exercise of options									18,174	1				
Conversion of SAFE, see Note 17							96,530	2,693						
Issuance of preferred shares, net of issuance expenses							1,522,374	41,758						
Share-based compensation											1,678			
Other comprehensive loss												(1,742)		
Net loss													(37,903)	(3
BALANCE AT DECEMBER 31, 2022	3,653,293	$25,123	333,366	$ 2,292	1,522,532	$ 23,253	1,618,904	$44,451	2,786,413	$ 164	$ 6,952	$ (1,742)	$ (92,563)	$ (8
CHANGES DURING 2023:														
Exercise of options									23,254	2				
Conversion of preferred shares to ordinary shares	(1,460,682)	(9,437)			(932,473)	(14,286)	(73,363)	(2,046)	2,466,517	154	25,615			2
Issuance of preferred shares, net of issuance expenses							42,340	1,187						
Share-based compensation											2,567			
Other comprehensive loss												1,227		
Net loss													(79,267)	(7
BALANCE AT DECEMBER 31, 2023	2,192,611	$15,686	333,366	$ 2,292	590,059	$ 8,967	1,587,881	$43,592	5,276,184	$ 320	$ 35,134	$ (515)	$ (171,830)	$(13

* The above share information has been adjusted to reflect the share split as discussed in note 2ii

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

GAUZY LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(U.S. dollars in thousands)

	Year ended December 31	
	2023	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (79,267)	$ (37,903)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	5,711	5,600
Loss from sale of property and equipment	203	—
Unrealized losses (gains) on marketable securities	1,655	(350)
Share-based compensation	2,567	1,678
Earn-out liability Revaluation	747	2,594
Non-cash financial expenses	39,489	3,470
Deferred taxes	—	(34)
Changes in operating assets and liabilities:		
Trade receivables	(5,395)	(5,005)
Institutions	(311)	(2,036)
Other current assets	(1,356)	259
Inventories	(2,271)	(1,602)
Operating lease right of use assets	2,532	1,586
Other non-current assets	8	151
Trade payables	1,909	1,552
Accrued expenses	2,874	905
Payment of Earn-Out	(344)	—
Other current liabilities	55	(253)
Other long-term liabilities	497	(721)
Employee related obligations	3,828	(207)
Employee rights upon retirement	88	(134)
Deferred revenues	(1,703)	2,361
Operating lease liabilities	(2,631)	(1,666)
Net cash used in operating activities	(31,115)	(29,755)
CASH FLOWS FROM INVESTMENT ACTIVITIES:		
Purchases of property and equipment	(5,929)	(3,672)
Acquisition of Vision Lite's shares	—	(36,190)
Proceeds from sale of property and equipment	—	376
Purchase of IP	(4,500)	—
Investment in long-term deposits	(194)	—
Net cash used in investing activities	(10,623)	(39,486)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from loans and issuance of warrants	—	419
Proceeds from issuance of convertible loans	27,225	—
Payments in respect of bank borrowings	(1,829)	(6,293)
Payment of Earn-out liability	(1,323)	—
Proceeds from exercise of options into ordinary shares	2	1
Proceeds from issuance of redeemable convertible preferred shares	1,316	45,312
Issuance expenses	—	(707)
Proceeds in respect of bank borrowings	114	—

GAUZY LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS — (Continued)
(U.S. dollars in thousands)

	Year ended December 31	
	2023	**2022**
Proceeds from short term loan relating to factoring arrangements, net	2,159	3,678
Proceeds from long-term debt measured under the fair value option	19,750	29,580
Payments of long-term debt measured under the fair value option	(5,400)	—
Finance lease payments	(325)	(383)
Net cash provided by financing activities	41,689	71,607
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	(49)	2,366
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	58	469
BALANCE OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF YEAR	4,696	1,861
BALANCE OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR	$ 4,705	$ 4,696
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH REPORTED IN THE CONSOLIDATED BALANCE SHEETS:		
Cash and cash equivalents	$ 4,575	$ 4,566
Restricted cash	130	130
TOTAL CASH, CASH EQUIVALENTS AND RESTRICTED CASH SHOWN IN STATEMENT OF CASH FLOWS	$ 4,705	$ 4,696
SUPPLEMENTARY INFORMATION ON INVESTING AND FINANCING ACTIVITIES NOT INVOLVING CASH FLOWS:		
Cashless exercise of warrants and conversion of other financial instruments to temporary (mezzanine) equity	$ —	$ 5,000
Right-of-use assets obtained in exchange for lease obligations: Operating leases	$ 5,161	$ 1,134
Conversion of Preferred shares to Ordinary shares	$ 25,769	$ —
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Interest paid	$ 6,914	$ 2,527
Interest received	$ —	$ 2
Income taxes paid	$ 46	$ 7

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

GAUZY LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(U.S. dollars in thousands, except share and per share amounts)

NOTE 1 — NATURE OF OPERATIONS:

a. Gauzy Ltd. (the "Company") was incorporated in Israel in 2009. The Company is engaged in the development, manufacturing and supply of technologies for operating and control of complex materials.

b. The Company established wholly owned subsidiaries in the United States of America (the "U.S. Subsidiary") for the purpose of marketing and selling the Company's products in the United States, in Germany (the "German Subsidiary") for the purpose of producing, marketing and selling the Company's products in Germany, and in China (the "Chinese Subsidiary"), for the purpose of marketing and selling the Company's products in China.

c. On February 7, 2021, the Company entered into a Share Purchase Agreement with the shareholders of Vision Lite SAS, a French société par actions simplifiée (hereinafter, "Vision") as amended on July 27, 2021, January 16, 2022 and March 28, 2022, for the acquisition of Vision ("Business Combination"). The Company obtained Control of Vision on January 26, 2022, the Closing Date of the Business Combination, see Note 3 (The Company and Vision together — "the Group"). Vision is engaged in the aeronautics, automotive, railway and marine industries.

d. In December 2022, the Company established a branch in South Korea located in Seoul, for the purpose of marketing and selling the Company's products in South Korea, named Gauzy Ltd Korea. As of December 31, 2023 there has been no activity in the branch.

e. As of December 31, 2023, the Company had an accumulated deficit of $171,830. During the year ended December 31, 2023, the Company incurred operating losses of $31,994 and had negative cash flows from operating activities of $31,115. The Company has financed its operations mainly through the issuance of shares through private financing rounds, debt financing, warrants and Note Purchase Agreement (NPA), refer to Notes 9, 14, 15 and 22. In January 2024, the Group entered into an additional note purchase agreement, the 2024 NPA, see Note 22(a). In accordance with Group's management assessment its existing cash and cash equivalents, the NPA (credit facility) and the 2024 NPA as of the issuance date of these financial statements, along with the Group's estimated revenues provide sufficient resources to fund its planned operations through at least the next 12 months. As to the longer term, unless the Group reaches sufficient positive cash flows from its operations and available funds at the NPA(credit facility) and the 2024 NPA, it may be required to obtain further funding through public or private offerings, debt financings or other sources. Adequate additional funding may not be available to the Group on acceptable terms, or at all. If the Group is unable to raise capital when needed or on attractive terms, it may need to reduce, delay, or adjust its operating expenses.

f. In October 2023, Hamas terrorists infiltrated Israel's southern border from the Gaza Strip and conducted a series of attacks on civilian and military targets. Following the attack, Israel's security cabinet declared war against Hamas and commenced a military campaign against Hamas and other terrorist organizations.

The Company's headquarters and one of its production sites is located in Tel Aviv, Israel. As of the issuance date of these consolidated financial, the conflict between Israel and Hamas has not had a material impact on the Company's revenue, results of operations or financial position if at all. The Company cannot currently predict the intensity or duration of Israel's war against Hamas, however, as most of the company's productions sites are not located in Israel and that its revenues mostly generated worldwide, the Company does not believe the recent terrorist attack and the subsequent declaration of war by the Israeli government against the Hamas terrorist organization will have any material impact on its ongoing operations in Israel. The Company continues to monitor its ongoing activities and will make any needed adjustments to ensure continuity of its business, while supporting the safety and well-being of its employees.

In December 2023, the Company received grant in the amount of $100 (360 NIS) from the Israeli government as a support in respect of the Gaza war.

GAUZY LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(U.S. dollars in thousands, except share and per share amounts)

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of presentation

The Company's financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP").

b. Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results may differ from those estimates. As applicable to these financial statements, the most significant estimates and assumptions relate to the fair value of financial instruments and share-based compensation, as well as estimating the fair value of the net asset of Vision. See Notes 10, 15 and 18, respectively.

c. Foreign Currency Translation

The Company's and its subsidiaries in US, Germany and China revenues are generated mainly in U.S. dollars. In addition, a substantial portion of the Company's' operational costs are incurred in U.S. dollars. The Company's management believes that the U.S. dollar is the primary currency of the economic environment in which the Company operates. Thus, the functional and reporting currency of the Company is the U.S. dollar. The functional currency of Vision is Euro, as Euro is the currency of the primary economic environment in which the operations of Vision and its subsidiaries are conducted and almost all of Vision's operational expenses, as well as its financing are in Euro.

Transactions and balances, related to the Company's and its subsidiaries in US, Germany and China, originally denominated in U.S. dollars are presented at their original amounts. Balances in non-U.S. dollar currencies are translated into U.S. dollars using historical and current exchange rates for non-monetary and monetary balances, respectively. For non-U.S. dollar transactions and other items in the statements of income (indicated below), the following exchange rates are used: (i) for transactions — exchange rates at transaction dates or average exchange rates; and (ii) for other items (derived from non-monetary balance sheet items such as depreciation and amortization) — historical exchange rates. Currency transaction gains and losses are presented in financial income or expenses, as appropriate.

The financial statements of Vision and its subsidiaries are included in the consolidated financial statements, translated into U.S. dollars. Assets and liabilities are translated at year-end exchange rates, while revenues and expenses are translated at yearly average exchange rates during the year. Differences resulting from translation of assets and liabilities are presented as other comprehensive loss.

d. Principles of consolidation

The consolidated financial statements include the accounts of the Company and its controlled subsidiaries. Intercompany balances and transactions have been eliminated upon consolidation.

e. Cash and cash equivalents and restricted cash

The Company considers as cash equivalents all short-term, highly liquid investments, which include short-term bank deposits with original maturities of three months or less from the date of purchase that are not restricted as to withdrawal or use and are readily convertible to known amounts of cash.

Restricted cash consists of funds that are contractually restricted as to usage or withdrawal due to funding agreements. The Company has presented restricted cash separately from cash and cash equivalents in the consolidated balance sheets. The Company includes its restricted bank deposits in cash and cash equivalents when reconciling beginning-of-period and end-of-period total amounts shown on the combined statement of cash flows.

GAUZY LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(U.S. dollars in thousands, except share and per share amounts)

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES: (cont.)

f. Restricted long-term bank deposits

Restricted bank deposits with maturity dates of more than one year are included in restricted long-term bank deposits. Long-term bank deposits are denominated in NIS. The interest rates on the Company's deposits range between 0.05%-3.7%. As of December 31, 2023 and 2022, the Company had a lien on the Company's bank deposits in respect of bank guarantees granted and in order to secure the lease agreements, see Note 9(b).

g. Investments in marketable securities

The Company's investments in marketable equity securities are recorded at fair value with changes in fair value recognized in financial income (expense), net in the consolidated statements of operations.

h. Derivatives

The Company recognizes all derivative instruments as either assets or liabilities in the consolidated balance sheet at their respective fair values. All gains and losses associated with derivatives are reported as financial income (expenses), net in the accompanying consolidated statements of operations.

i. Inventories

Inventories are stated at the lower of cost or net realizable value. The Company determines the cost of inventory using the weighted average cost method. The Company periodically reviews its inventory levels and writes down inventory that is expected to expire prior to being sold, inventory in excess of expected sales requirements and inventory that fails to meet commercial sale specifications, with a corresponding charge to cost of sales. For further details see Note 5.

j. Property and equipment:

Property and equipment are stated at cost, net of accumulated depreciation and amortization.

The Group's property and equipment are depreciated by the straight-line method on the basis of their estimated useful lives.

Annual rates of depreciation are as follows:

Computers and electronic equipment	3 years
Laboratory equipment	14 – 15 years
Office furniture and equipment	3 – 17 years Mainly 3 years
Production lines, industrial fixtures, equipment and tooling	2 – 15 years Mainly 10 years
Demonstrations	4 – 5 years

Leasehold improvements are amortized by the straight-line method over the expected lease term, which is shorter than the estimated useful life of the improvements.

Depreciation of property under construction begins when it is available for use, that is when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

k. Intangible assets

The Company's intangible assets originated primarily from the acquisition of Vision (see Note 3), the RFI acquisition (see Note 6) and the agreement with Resonac Corporation — IP (see Note 8).

GAUZY LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(U.S. dollars in thousands, except share and per share amounts)

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES: (cont.)

Intangible assets acquired in a business combination and intangible asset related to completed projects purchased in asset acquisitions are accounted for pursuant to Accounting Standard Codification ("ASC") 350, Intangibles — Goodwill and Other.

Intangible assets are amortized using a straight-line amortization over their estimated useful lives.

Annual rates of amortization rates are as follows:

Exclusivity right	4 years
Technology & IP	5 – 7 years
Customer relationships	15 years

Amortization of customer relationships and exclusivity right are presented under depreciation and amortization operating expenses. Amortization of technology and IP is allocated between costs of revenues and operating expenses.

l. Goodwill

Goodwill reflects the excess of the consideration transferred, including the fair value of any contingent consideration over the assigned fair values of the identifiable net assets acquired.

The Company allocates goodwill to its reporting units based on the reporting unit expected to benefit from the business combination. The primary items that generate goodwill include the value of the synergies between the acquired companies and the Company and the acquired assembled workforce, neither of which qualifies for recognition as an intangible asset.

ASC 350, "Intangibles — Goodwill and other" ("ASC 350") requires goodwill to be tested for impairment at the reporting unit level at least annually or between annual tests in certain circumstances and written down when impaired. The Company tests its goodwill for impairment every calendar year end. ASC 350 allows an entity to first assess qualitative factors to determine whether a quantitative goodwill impairment test is necessary. Further testing is only required if the entity determines, based on the qualitative assessment, that it is more likely than not that a reporting unit's fair value is less than its carrying amount. Otherwise, no further impairment testing is required. An entity has the option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to the quantitative goodwill impairment test. The quantitative assessment compares the fair value of the reporting unit to its carrying value, including goodwill.

An interim goodwill impairment test may be required in advance or after of the annual impairment test if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. As of December 31, 2023, no such events occurred.

m. Impairment of long-lived assets

The Company tests long-lived assets for impairment whenever events or circumstances indicate the carrying amount may not be recoverable. If the sum of expected future cash flows (undiscounted and without interest charges) of the assets is less than the carrying amount of such assets, an impairment loss would be recognized. The assets would be written down to their estimated fair values, calculated based on the present value of expected future cash flows (discounted cash flows), or some other fair value measure.

For the years ended December 31, 2023 and 2022, the Company did not recognize an impairment loss for its long-lived assets.

GAUZY LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(U.S. dollars in thousands, except share and per share amounts)

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES: (cont.)

n. Trade Receivables

Accounting policy after the adoption of ASU 2016-13: Trade receivables are presented in the Company's consolidated balance sheets net of allowance for expected credit losses. The Company maintains the allowance for estimated losses resulting from the inability of the Company's customers to make required payments. The allowance represents the current estimate of lifetime expected credit losses over the remaining duration of existing trade receivables considering current market conditions and supportable forecasts when appropriate. Changes in the allowance for expected credit losses are recognized in general and administrative expenses. Impact of the ASU was immaterial.

o. Transfers of receivables

Vision has agreements with an unrelated third party (a factor) for factoring of specific accounts receivable. The factoring terms includes full recourse to the Company. Therefore, the Company bears the risk of non-payment by the customer for any reason.

The factoring is not treated as a sale in accordance with ASC 860 "Transfers and Servicing" but as a secured borrowing. Such borrowings are presented as short-term loans.

The Company reports the cash flows attributable to the sale of receivables to third parties and the cash receipts from collections made on behalf of and paid to third parties, on a gross basis as trade accounts receivables in cash flows from operating activities and payment of loans in cash flow from financing activities in the Company's consolidated statement of cash flows.

As of December 31, 2023, Vison has balance of factoring arrangement against approximately $11,948 of accounts receivable.

p. Concentration of credit risks

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and cash equivalents, restricted cash, bank deposits, marketable securities and accounts receivables. The Company deposits cash and cash equivalents mostly with a single highly rated financial institution. The Company has not experienced any material credit losses in these accounts and does not believe it is exposed to significant credit risk on these instruments.

For the year ended December 31, 2023, and 2022, the Company's largest customer represented 9.3% and 8.5% of product revenue and 6.9% and 8.0% of accounts receivable, net, respectively. Most of the Company's revenues from these customers were in the Aeronautics segment.

q. Leases

Accounting Standard Update ("ASU") No. 2016-02, Leases (Topic 842), requires lessees to record assets and liabilities on the balance sheet for all leases. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement.

Under Topic 842, the Company determines if an arrangement is a lease at inception. Upon initial recognition, the Company recognized a liability at the present value of the lease payments to be made over the lease term, and concurrently recognized a right of use ("ROU") asset at the same amount of the liability, adjusted for any prepaid or accrued lease payments, plus initial direct costs incurred in respect of the lease. The Company uses its incremental borrowing rate based on the information available at the commencement date to determine the present value of the lease payments.

The lease term for all the Company's leases includes the noncancellable period of the lease plus any additional periods covered by either a Company option to extend (or not to terminate) the lease that the Company is reasonably certain to exercise.

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NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES: (cont.)

The subsequent measurement depends on whether the lease is classified as finance lease or an operating lease.

Leases are classified as either finance leases or operating leases. A lease is classified as a finance lease if any one of the following criteria are met: the lease transfers ownership of the asset by the end of the lease term, the lease contains an option to purchase the asset that is reasonably certain to be exercised, the lease term is for a major part of the remaining useful life of the asset, the present value of the lease payments equals or exceeds substantially all of the fair value of the asset, or the underlying asset is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of lease term. A lease is classified as an operating lease if it does not meet any one of these criteria.

For finance leases, the ROU asset is subsequently amortized using the straight-line method from the lease commencement date to the earlier of the end of its useful life or the end of the lease term unless the lease transfers ownership of the underlying asset to the Company or the Company is reasonably certain to exercise an option to purchase the underlying asset. In those cases, the ROU asset is amortized over the useful life of the underlying asset. Amortization of the ROU asset is recognized and presented separately from interest expense on the lease liability.

For operating leases, the ROU asset is subsequently measured at the present value of the remaining lease payments, adjusted for the remaining balance of any lease incentives received, any cumulative prepaid or accrued rent and any unamortized initial direct costs. Operating lease expense is recognized on a straight-line basis over the lease term.

Operating lease ROU assets are presented as operating lease right of use assets on the consolidated balance sheet. Operating lease liabilities are presented separately from other liabilities. Finance lease ROU assets are included in property and equipment. Finance lease liabilities are presented separately from other liabilities in the consolidated balance sheet.

r. Contingencies

Certain conditions may exist as of the date of the financial statements, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. The Company's management assesses such contingent liabilities and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company's management evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought.

Management applies the guidance in ASC 450-20-25 when assessing losses resulting from contingencies. If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be reasonably estimated, then the reasonably estimated liability is recorded as accrued expenses in the Company's financial statements. If the assessment indicates that a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be reasonably estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material are disclosed.

Loss contingencies considered to be remote by management are generally not disclosed unless they involve guarantees, in which case the guarantees are disclosed.

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NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES: (cont.)

s. Share-based compensation

The Company's employees' and directors' share-based payment awards are classified as equity awards. The Company accounts for these awards using the grant-date fair value method. The fair value of share-based payment transactions is recognized as an expense over the requisite service period using the straight-line method. Forfeitures are recognized as they occur. The Company accounts for its advisors' equity classified share-based payment in a similar manner.

The Company elected to recognize compensation costs for awards conditioned only on continued service that have a graded vesting schedule using the straight-line method based on the multiple-option award approach.

t. Employee rights upon retirement

The Company is required to make severance payments upon dismissal of an employee or upon termination of employment in certain circumstances. In accordance with the current employment terms with all of its employees (Section 14 of the Israeli Severance Pay Law, 1963) located in Israel, the Company makes regular deposits, at a rate of 8.33% of their monthly salary, with certain insurance companies for accounts controlled by each applicable employee in order to secure the employee's full retirement benefit obligation.

The Company is relieved from any severance pay liability with respect to each such employee after it makes the payments on behalf of the employee. The liability in respect of these employees and the amounts funded, as of the respective agreement dates, are not reflected on the Company's consolidated balance sheet, as the amounts funded are not under the control and management of the Company and the pension or severance pay risks have been irrevocably transferred to the applicable insurance companies.

The amounts of severance payment expenses were $592 and $527 and for the years ended December 31, 2023 and 2022, respectively.

In France, Vision has a noncontributory defined benefit pension plan covering substantially all employees upon their retirement. The benefits are based on years of service and the level of compensation during the last year. The provision for retirement benefits on December 31, 2022 and 2023 represents an accrual for lump-sum payments to be paid at the time an employee retires if he or she is still employed by the company at the date of retirement. See note 11 for further details.

u. Revenue recognition

The Company accounts for its revenue under ASC Topic 606, Revenue from Contracts with Customers. In accordance with ASC Topic 606, the Company recognizes revenues when its customers obtain control of its product for an amount that reflects the consideration it expects to receive from its customers in exchange for that product. To determine revenue recognition for contracts that are determined to be in scope of ASC Topic 606, the Company performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the Company satisfies the performance obligation. The Company only applies the five-step model to contracts when it is probable that the Company will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. Once the contract is determined to be within the scope of ASC Topic 606, the Company assesses the goods or services promised within each contract and determines those that are performance obligations and assesses whether each promised good or service is distinct. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when such performance obligation is satisfied.

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES: (cont.)

The Company's main revenue generating activity is the sale of films (a technology that adjusts the amount of light that goes through glass surfaces) and glass surfaces combined with films. The Company's LCG® technologies include a variety of Polymer Dispersed Liquid Crystal (PDLC) based films and Suspended Particle Device (SPD) based film, both available in rolls or custom cut-to-fit sheets. These goods are provided with an assurance-type warranty. In some contracts, the Company also provides training services to its customers shortly after the delivery of the goods, which gives rise to a separate performance obligation.

Vision's primary source of revenue is sales of product in the transportation market. Vision provides assurance type warranties for all of its products. Also, Vision grants limited rights of return for its products. The Company estimates future product returns upon sale, based on Vision's historical return trends, by the customer and by product and other relevant information. Estimated returns reduce revenue and cost of goods sold.

Revenue from the sale of goods is generally recognized at a point in time, upon transfer of control over the goods. According to the Company's shipment terms, control over the Company's products is generally transferred upon delivery of the goods to the customer's premise. Thus, shipping and handling are accounted for as fulfilment activities. For a small number of contracts, revenue is recognized over time because of the Company's enforceable right to payment for performance completed to date on customized products for which the Company has no alternative use.

According to the Company's payment terms, its customers generally pay 50% of consideration up-front with the remaining upon delivery while some customers have different payments terms such as 30-60 days from the invoice date. Vision's payment terms generally include a payment requirement within 30 to 60 days after a performance obligation has been satisfied. Due to the short time period between payment and delivery, the Company does not have any contracts for the provision of goods that result in the material contract assets and contract liabilities.

Taxes levied by government authorities on revenue-bearing transactions that are collected by the Company from a customer, are excluded from the transaction price.

The Company applies the practical expedient in ASC 606-10-65-1 and does not adjust the transaction price for the effects of a significant financing component when a customer pays for a good within one year or less. Also, as permitted by ASC 606, the Company does not disclose information on unearned revenue for binding contracts and purchase orders for a period of one year or less.

v. Cost of revenues

Cost of revenue consists of raw materials used in production line for the Company's end product, shipping and handling costs, salary of headcount related to production, employee-related expenses and overhead expenses of internal assembly line, service costs, depreciation of production equipment and amortization of technology. Cost of revenues also consists of royalties to the Israel Innovation Authority, see Note 11(a).

w. Research and development costs

Research and development costs are charged to the statement of operations as incurred. Research and development expenses include costs directly attributable to the conduct of research and development programs, including the cost of payroll taxes and other employee benefits, lab expenses, consumable equipment and consulting fees. The Company receives royalty-bearing grants, which represents participation of the Israel Innovation Authority in approved programs for research and development, see Note 11(a). These grants are recognized as a reduction of research and development expenses as the related costs are incurred.

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NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES: (cont.)

Research credit tax granted by the French Government is recognized when the tax credit becomes receivable, provided there is reasonable assurance that the Vision will comply with the conditions attributed to this credit and there is reasonable assurance the credit will be received. The tax credit is deducted from the research and development expenses as the applicable costs are incurred.

x. Advertising expenses

Advertising costs are expensed as incurred and were approximately $323 and $340 for the years ended December 31, 2023 and 2022, respectively.

y. Income taxes:

1) Deferred taxes

Income taxes are computed using the asset and liability method. Under the asset and liability method, deferred income tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities and are measured using the currently enacted tax rates and laws. A valuation allowance is recognized to the extent that it is more likely than not that the deferred taxes will not be realized in the foreseeable future. Given the Company's losses, the Company has provided a full valuation allowance with respect to its deferred tax assets.

2) Uncertainty in income tax

The Company follows a two-step approach in recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the available evidence indicates that it is more likely than not that the position will be sustained based on technical merits. If this threshold is met, the second step is to measure the tax position as the largest amount that has more than a 50% likelihood of being realized upon ultimate settlement.

z. Loss per share

The Company's basic net loss per share is calculated by dividing net loss attributable to ordinary shareholders by the weighted-average number of shares of ordinary shares outstanding for the period, without consideration of potentially dilutive securities. The diluted net loss per share is calculated by giving effect to all potentially dilutive securities outstanding for the period using the treasury share method or the if-converted method based on the nature of such securities. Diluted net loss per share is the same as basic net loss per share in periods when the effects of potentially dilutive shares of ordinary shares are anti-dilutive.

The Company computes net loss per share using the two-class method required for participating securities. The two-class method requires income available to ordinary shareholders for the period to be allocated between ordinary shares and participating securities based upon their respective rights to receive dividends as if all income for the period had been distributed. The Company considers its redeemable convertible preferred shares to be participating securities as the holders of the redeemable convertible preferred shares would be entitled to dividends that would be distributed to the holders of ordinary shares, on a pro-rata basis assuming conversion of all redeemable convertible preferred shares into ordinary shares. These participating securities do not contractually require the holders of such shares to participate in the Company's losses. As such, net loss for the periods presented was not allocated to the Company's participating securities.

aa. Comprehensive loss

Comprehensive loss includes currency translation adjustments, net actuarial gain (loss) on employee benefit obligations and changes in fair value of certain financial liabilities attributed to own credit risk.

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NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES: (cont.)

bb. Fair value measurement

Fair value is based on the price that would be received from the sale of an asset or that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, the guidance establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described as follows:

Level 1:	Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
Level 2:	Observable prices that are based on inputs not quoted on active markets, but corroborated by market data or active market data of similar or identical assets or liabilities.
Level 3:	Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and considers counterparty credit risk in its assessment of fair value.

cc. Financial instruments issued

When the Company issues preferred shares, it considers the provisions of ASC 480, Distinguishing Liabilities from Equity ("ASC 480") in order to determine whether the preferred share should be classified as a liability. If the instrument is not within the scope of ASC 480, the Company further analyzes the instrument's characteristics in order to determine whether it should be classified within temporary equity (mezzanine) or within permanent equity in accordance with the provisions of ASC 480-10-S99. The Company's redeemable convertible preferred shares are not mandatorily or currently redeemable. However, they include a liquidation or Deemed Liquidation (as defined in Note 14) events that would constitute a redemption event that is outside of the Company's control. As such, all shares of redeemable preferred shares have been presented outside of permanent equity.

When the Company issues other freestanding instruments, the Company first analyzes the provisions of ASC 480 in order to determine whether the instrument should be classified as a liability, with subsequent changes in fair value recognized in the statements of operations in each period. If the instrument is not within the scope of ASC 480, the Company further analyzes the provisions of ASC 815-40 in order to determine whether the instrument should be classified within equity or classified as an asset or liability, with subsequent changes in fair value recognized in the statements of operations in each period. Generally, the Company's issued financial instruments convertible to preferred shares are in the scope of ASC 480. For further details see Note 16 on warrants issued together with bank loans, Facility agreement, SAFE, CLA and the NPA, and Note 22(a) on warrants issued together with the 2024 NPA.

dd. Loans and Convertible Loans issued

Under the Fair Value Option Subsection of ASC Subtopic 825-10, Financial Instruments — Overall ("ASC 825"), the Company has an irrevocable option to designate certain financial assets and financial liabilities at fair value on an instrument-by-instrument basis, with changes in fair value reported in the statement of operations. Changes in fair value do not include accrued interest on debt instruments. Any changes in the fair value of liabilities resulting from changes in instrument-specific credit risk are reported in other comprehensive loss. The Company separately measures changes attributed to instrument-specific credit risk by calculating the difference between the overall change in the fair value of the instrument and the change attributed to fluctuations in the relevant risk-free benchmark rate.

The Company elected the fair value option for its CLAs and for its NPA, as defined in Note 15. The Company also elected the fair value option for its Facility Loans, see Note 9(c).

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NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES: (cont.)

ee. Debt modifications

When the Company modifies the terms of its debt, it determines whether to account for these modifications as troubled debt restructuring. For modifications that are not trouble debt restructuring, it goes on to determine whether to account for these modifications as debt modifications or debt extinguishments. As part of the assessment, the Company determines whether the amended terms are substantially different, defined as the present value of the remaining cash flows after amendment differ by at least 10% of those prior to the amendment.

ff. Interest Expense and line of credit fees

Debt discounts are created as a result of the allocation of proceeds received to a basket of debt instruments measured at amortized cost and warrants (or other instruments subsequently measured at fair value). Discounts are amortized to interest expense under the effective interest method over the life of the recognized debt liability.

Debt issuance costs include the costs of debt financings measured at amortized cost undertaken by the Company, including legal fees and other direct costs of the financing. Debt issuance costs related to a recognized debt liability are presented on the consolidated balance sheet as a direct deduction from the carrying amount of the debt liability and are amortized to interest expense over the term of the related debt, using the effective interest method.

Periodic fees relating to a line of credit arrangements are expensed as incurred.

gg. Business Combinations

The Company's consolidated financial statements include the operations of acquired businesses from the date of the acquisition's consummation. Acquired businesses are accounted for using the acquisition method of accounting, which requires, among other things, that most assets acquired and liabilities assumed be recognized at their estimated fair values as of the acquisition date. Transaction costs are expensed as incurred. Any excess of the consideration transferred over the assigned values of the net assets acquired is recorded as goodwill.

Contingent consideration incurred in a business combination is included as part of the acquisition price and recorded at a probability weighted assessment of its fair value as of the acquisition date. The fair value of the contingent consideration is re-measured at each reporting period, with any adjustments in fair value recognized in earnings under other assets impairments, restructuring and other items.

hh. Newly issued and recently adopted accounting pronouncements:

The Company qualifies as an emerging growth company ("EGC") as defined under the Jumpstart Our Business Startups Act (the "JOBS Act"). Using exemptions provided under the JOBS Act for EGCs, the Company has elected to defer compliance with new or revised ASUs until it is required to comply with such updates, which is generally consistent with the adoption dates of private companies.

Recently Adopted accounting pronouncements

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments", which replaces the existing incurred loss model with a current expected credit loss ("CECL") model that requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. Subsequent to the issuance of ASU 2016-13, the FASB issued several additional Accounting Standard Updates to clarify implementation guidance, provide narrow-scope improvements and provide additional disclosure

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES: (cont.)

guidance. Under the ASU, the Company is required to use a forward-looking CECL model for accounts receivables and other financial instruments. The Company adopted the ASU on January 1, 2023 and it did not have a material impact on its consolidated financial statement.

In August 2020, the FASB issued ASU 2020-06, "Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40)". ASU 2020-06 simplifies the accounting for convertible debt and convertible preferred stock by removing the requirements to separately present certain conversion features in equity. In addition, the amendments in the ASU also simplify the guidance in ASC 815-40, Derivatives and Hedging: Contracts in Entity's Own Equity, by removing certain criteria that must be satisfied in order to classify a contract as equity, which is expected to decrease the number of freestanding instruments and embedded derivatives accounted for as assets or liabilities. Finally, the amendments revise the guidance on calculating earnings per share, requiring use of the if-converted method for all convertible instruments and rescinding an entity's ability to rebut the presumption of share settlement for instruments that may be settled in cash or other assets. The Company early adopted ASU 2020-06 on January 1, 2023 and applied the ASU to the Company's accounting for its convertible debenture and warrants. The ASU did not have a material impact on the Company's financial statements and related disclosures.

Recent Accounting Guidance Issued:

In October 2021, the FASB issued ASU 2021-08, which amends ASC 805 to require acquiring entities to apply ASC 606 to recognize and measure contract assets and contract liabilities in a business combination. Under current GAAP, an acquirer recognizes such items at fair value on the acquisition date. ASU 2021-08 amends ASC 805 to add contract assets and contract liabilities to the list of exceptions to the recognition and measurement principles that apply to business combinations and to require that an entity (acquirer) recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with ASC 606. As a result of the amendments, it is expected that an acquirer will generally recognize and measure acquired contract assets and contract liabilities (deferred revenue) in a manner consistent with how Vision recognized and measured them in its preacquisition financial statements.

In addition, as a result of the amendment, acquirer likely would subsequently recognize the same amount of revenue that Vision would have recognized if no business combination took place. As an Emerging Growth Company, the ASU will be effective for fiscal years beginning after December 15, 2023 and interim periods therein. The impact of the ASU depends on the business combinations entered into on the year of adoption.

In June 2022, the FASB issued ASC 2022-03 "Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions". The ASU clarifies that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring its fair value. The ASU also clarifies that an entity cannot, as a separate unit of account, recognize and measure a contractual sale restriction. The ASU also introduces new disclosure requirements for equity securities subject to contractual sale restrictions. As an Emerging Growth Company, the ASU is effective for fiscal years beginning after December 15, 2024, and interim periods within those fiscal years. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance. The Company is currently evaluating the effect that ASU 2022-03 will have on its consolidated financial statements and related disclosures.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, This guidance expands public entities' segment disclosures primarily by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items, and interim disclosures of a reportable segment's

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES: (cont.)

profit or loss and assets. The amendments are effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The amendments should be applied retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating this ASU to determine its impact on the Company's segment disclosures.

In December, 2023, the FASB issued ASU 2023-09, Improvements to Income Tax Disclosures, which requires disclosure of disaggregated income taxes paid, prescribes standard categories for the components of the effective tax rate reconciliation, and modifies other income tax-related disclosures. The ASU will be effective for fiscal years beginning after December 15, 2025, and allows adoption on a prospective basis, with a retrospective option. The Company is in the process of assessing the impacts and method of adoption. This ASU will impact the Company's income tax disclosures, but not Consolidated Financial Statements.

In March 2024, the SEC adopted new rules relating to the disclosure of a range of climate-change-related physical and transition risks, data, and opportunities. The adopted rule contains several new disclosure obligations, including, (i) disclosure on how the board of directors and management oversee climate-related risks and certain climate-related governance items, (ii) disclosure of information related to a registrant's climate-related targets, goals, and/or transition plans, and (iii) disclosure on whether and how climate-related events and transition activities impact line items above a threshold amount on a registrant's consolidate financial statements, including the impact of the financial estimates and the assumptions used. This new rule will be effective in the Company's annual disclosures starting from the year ending December 31, 2027. The Company is in the process of assessing the impact on its consolidated financial statements and disclosures.

ii. Share split

On May 28, 2024 the board of directors approved a forward share split (the "Share Split"), that was approved by the shareholders and became effective on May 28, 2024. The Share Split results in a four point four-for-one (4.390914:1) share split of the Company's Preferred and Ordinary shares. No fractional shares were issued in connection with the Share Split. These financial statements have been adjusted retrospectively for the Share Split.

NOTE 3 — BUSINESS COMBINATION:

a. General

On January 26, 2022, the Company acquired 100% of the outstanding common shares of Vision Lite SAS, a French société par actions simplifiée, based in France, Vision, is a leading Tier 1 supplier for light control technologies and ADAS products across the transportation industry, notably in aviation, railway, bus/coach, and marine. Vision is engaged primarily in shading systems for the aeronautic industry worldwide, and rear-view mirrors, driver protection doors, and ADAS for the automobile industry in Europe.

The rational for the acquisition was to create a combined company that would strengthen the Company's market position, expand its product portfolio, enhance the technologies and extend the Company's manufacturing capabilities through vertical integration.

b. Consideration and identifiable net assets acquired

The consideration for the Business Combination consisted of a consideration of €21,000 in cash, the repayment of Vision loans in an amount of approximately €11,436 and contingent consideration of up to €5,000, contingent on the future revenues of Vision. Between closing date and May 11, 2022 an amount of $22,255 (€19,800) was paid to the sellers. In addition, on January 15, 2023 an amount of $1,316 (€1,200) previously held in escrow was released to the sellers and invested in the company in consideration for 42,340 Preferred D Shares.

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NOTE 3 — BUSINESS COMBINATION: (cont.)

In addition, $12,854 cash (€11,436) was transferred by the Company to pay-off Vision loans. The contingent consideration was split into two payments of up to €2,500 million each, subject to Vision meeting certain operational milestones. The fair value of the contingent consideration at closing $1,323 (€1,173) (see Note 3(c) below). As of the Closing Date, Gauzy became the sole shareholder of Vision.

The following table summarizes the consideration paid for Vision and the fair value of the assets acquired and liabilities assumed at the acquisition date, based on a PPA performed by independent valuation experts:

Consideration:		
Cash	$	36,578
Contingent consideration		1,323
Fair value of total consideration transferred		37,901
Acquisition-related costs included in general & administrative expense		(1,108)
Recognized amounts of identifiable assets acquired and liabilities assumed:		
Cash and cash equivalents		388
Trade receivables		7,460
Inventory		7,848
Institutions		4,202
Other current assets		761
Property, plant and equipment		11,370
Operating lease right of use assets		7,904
Customer Relationships*		16,300
Technology*		9,500
Other non-current assets		749
Total assets		**66,482**
Accounts payable		(8,139)
Payroll and other related payables		(5,591)
Accrued expenses and other current liabilities		(1,940)
Operating lease liabilities, current		(1,572)
Finance lease liabilities, current		(426)
Short term-debt and current maturities of long-term debt		(3,071)
Short term loan relating to factoring arrangements		(4,019)
Gauzy Loan		(4,593)
Long term debt		(12,570)
Operating lease liabilities, noncurrent		(6,332)
Finance lease liabilities, noncurrent		(539)
Postretirement employee benefits		(1,511)
Other noncurrent liabilities		(250)
Total liabilities		**(50,553)**
Total identifiable net assets assumed		15,929
Goodwill		21,972
Total	**$**	**37,901**

* The average expected useful life of Customer Relationships and Technology is approximately 15 and 5 years, respectively.

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NOTE 3 — BUSINESS COMBINATION: (cont.)

The fair value of customer relationships was based on the 'relief from royalties (RFR)' method. That measure is based on significant inputs that are not observable in the market, or Level 3 inputs (see discussion of the fair value hierarchy in Note 2(bb)). Key assumptions include (a) a discount rate of 19%; (b) upsell rate of 1% – 3%; and (c) attrition rate of up to 7%.

The fair value of acquired technology was based on the 'multi period excess earnings (MPEEM) method. That measure is based on significant inputs that are not observable in the market, or Level 3 inputs. Key assumptions include (a) a discount rate of 19.5%; and (b) royalty rate of 5%.

c. Contingent consideration

The purchase price included a contingent consideration arrangement that required the Company to pay the sellers of Vision ranging between $0 and $5,639 (€5,000), conditional on the annual revenues targets for the calendar years 2022 and 2023. The fair value of the contingent consideration arrangement of $1,323 was estimated by applying a Monte Carlo simulation methodology. That measure is based on significant inputs that are not observable in the market, i.e. — Level 3 inputs (see discussion of the fair value hierarchy in Note 2(bb)). Key assumptions include:

	Assumptions
Time to Maturity	1 – 2 years
Risk Free Rate	1.18%
Volatility	31.77%

Between March 2022 and December 2023 the Earn-Out Agreement was amended several times. Under the amended terms of the agreement, the First Earn-Out payment was reduced to $2.5 million (€2.4 million) and the Second Earn-Out payment was reduced to $2.3 million (€2.2 million). The annual revenue target for 2022 was met, and the revenue target for 2023 was increased and met. The First Earn-Out Payment will become accelerated and immediately due and payable within 15 days following the occurrence of the listing of our securities on a U.S. securities exchange. On December 28, 2023 the Company paid $1.7 million (€1.5 million) of the Earn-out liability.

The amendments were treated as post-combination events and their impact was recognized as an operating expense.

For additional payment made subsequent to this report period, see note 22(b).

d. Goodwill

Goodwill represents the purchase price paid in excess of the fair value of net tangible and intangible assets acquired, and is attributable primarily to expected synergies, economies of scale and the assembled workforce of Vision. None of the goodwill recognized is expected to be deductible for income tax purposes.

NOTE 4 — OPERATING SEGEMENTS AND GEOGRAPHICAL INFORMATION:

The Company operates its business and reports its financial results in three operating segments:

a. Architecture and automotive — this segment focuses on sales that enable OEMs to incorporate the Company's technology in glass rooftops, side windows and windshields to replace conventional sun visors and shades. For commercial vehicles customers, the Company is a Tier 1 supplier for vision control technologies for the truck, bus and coach market. In addition, the Company's products in this segment are sold for both interior and exterior applications for commercial, retail, residential, healthcare and hospitality customers.

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NOTE 4 — OPERATING SEGEMENTS AND GEOGRAPHICAL INFORMATION: (cont.)

b. Safety tech — this segment focuses on sales of advanced driver assistance systems for buses, coaches, recreational vehicles and specific vehicles, such as camera and motion sensor systems, smart mirrors and safety doors.

c. Aeronautics — this segment focuses on the sale of shading and cabin management systems in private and commercial aircraft and helicopters.

The Company's Chief Executive Office ("CEO") was identified as the chief operating decision maker ("CODM"). The CODM reviews the financial information based on Gauzy and Vision's individual financial statements, accompanied by disaggregated information about revenues and gross profit to make decisions about resources to be allocated to the segments and assess their performance.

d. Segment Information:

	December 31, 2023			
	Architecture and automotive	Safety tech	Aeronautics	Total
Revenues from external customers	$ 14,448	$ 29,703	$ 33,829	$ 77,980
Intersegment revenues			2,057	2,057
Gross profit (segment profit)	$ 3,806	$ 5,231	$ 12,202	$ 21,239

	December 31, 2022			
	Architecture and automotive	Safety tech	Aeronautics	Total
Revenues from external customers	$ 10,421	$ 18,455	$ 20,157	$ 49,033
Intersegment revenues	—	—	34	34
Gross profit (segment profit)	$ 2,861	$ 2,482	$ 5,503	$ 10,846

	December 31	
	2023	2022
Total revenues for reportable segments	$ 80,037	$ 49,067
Elimination of intersegment revenues	(2,057)	(34)
Total consolidated revenues	77,980	49,033
Total reportable segment profit	21,239	10,846
Total segments profit	21,239	10,846
Amounts not allocated to segments:		
Amortization of Technology and lease assets included in Cost of revenues	1,298	1,159
Research and development expenses, net	16,035	12,216
General and administrative expenses	16,187	12,856
Sales and marketing expenses	15,302	10,693
Depreciation and amortization	3,664	3,711
Other expenses	747	2,594
Consolidated operating loss	(31,994)	(32,383)
Other income	32	
Other financial expenses, net	(47,122)	5,476
Consolidated loss before income taxes	$ (79,084)	$ (37,859)

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NOTE 4 — OPERATING SEGEMENTS AND GEOGRAPHICAL INFORMATION: (cont.)

e. Geographical information

The following table summarizes revenue by region based on the shipping address of customers:

	Year ended December 31	
	2023	**2022**
Israel	$ 1,096	$ 1,699
United States	17,543	14,258
Asia	3,572	4,697
France	35,753	11,334
Rest of Europe	16,936	15,783
Rest of world	3,080	1,262
	$ 77,980	$ 49,033

The following table presents the Company's long-lived assets, net of depreciation and amortization, by geographic region:

	December 31	
	2023	**2022**
Israel	$ 4,846	$ 4,905
United States	321	375
Europe	27,714	21,079
China	8	2
Rest of the world	18	83
Total long-lived assets, net	$ 32,907	$ 26,444

Long-lived assets include property, plant and equipment and right-of-use (ROU) assets of leases.

f. Major customers

See note 2(p) above.

NOTE 5 — INVENTORIES:

Inventories consisted of the following:

	December 31	
	2023	**2022**
Finished products	$ 1,163	$ 1,572
Raw and packaging materials	11,882	8,763
Products in process	129	205
	$ 13,174	$ 10,540

The Company recorded inventory write-downs in the amount of $238 and $212 for the year ended December 31, 2023 and 2022, respectively. These write-downs are linked to slow-moving inventory.

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NOTE 6 — INVESTMENT IN MARKETABLE SECURITIES:

Investment in RFI assets

The Company invests in securities of Research Frontiers Incorporated, a Nasdaq listed company, or RFI. As of December 31, 2023 the Company holds 1,838,824 shares of RFI's common stock, which represents 5.5% of RFI's shares.

The Company's investment in RFI common stock is recorded at fair market value and unrealized gains and losses are included in financial income (expense), net, in the consolidated statements of operations and comprehensive loss.

The price per share of RFI's common stock as of December 31, 2023 and 2022 is $1.01 and $1.91, respectively. The revaluation of the above-mentioned investment, for the years ended December 31, 2023 and 2022, amounted to $(1,655) and $350, respectively. The revaluation was recorded as financial expense, net.

In 2019 the Company also received an additional 4-year exclusivity for an RFI patent. See Note 8.

In January 2022, the Company entered into a facility agreement with certain credit funds in the amount of $30,000, see Note 9(c). As of December 31, 2023, the restricted amount from the Company's RFI shares pledged for the credit funds is $1,857.

NOTE 7 — PROPERTY AND EQUIPMENT:

Composition of property and equipment, grouped by major classifications, is as follows:

	December 31	
	2023	2022
Cost:		
Computers and electronic equipment	$ 404	$ 230
Office furniture, and equipment	426	651
Laboratory equipment	1,937	1,770
Leasehold improvements	4,276	3,034
Product line, Industrial fixtures, equipment and tooling	8,301	9,216
Assets under construction – product line and demonstrations	9,210	6,141
	$ 24,554	$ 21,042
Less:		
Accumulated depreciation	$ 4,024	$ 3,569
Property and equipment, net	$ 20,530	$ 17,473

Depreciation expenses were $2,509 and $2,775 in the years ended December 31, 2023 and 2022, respectively.

NOTE 8 — INTANGIBLE ASSETS:

a. Identified intangible assets

In September 2018, the Company entered into a subscription agreement with RFI, see Note 6.

In 2019 the Company received 4-year exclusivity for an RFI patent which was accounted as an intangible asset with a value of $951. The exclusivity right asset was amortized over the useful life using a straight-line method, over the exclusivity period of 4 years ended 2023, see Note 2(k).

For intangible assets acquired in a business combination, see Note 3.

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NOTE 8 — INTANGIBLE ASSETS: (cont.)

On February 28, 2023, the Company entered into a Patent Assignment and Technology Information Disclosure Agreement with Resonac Corporation ("REC"). Pursuant to the agreement, the Company acquired specific Suspended Particle Device ("SPD") film patents from REC and obtained knowhow of REC's technical and business information related to SPD film for a total consideration of $4.5 million. The Company paid REC the consideration in two payments until September 2023. The acquired technology is accounted for as an IP intangible asset, amortized over a period of 7 years starting in September 2023, Intangible assets consisted of the following:

	December 31, 2023			
	Cost	Accumulated amortization	Currency translation adjustment	Net
Exclusivity right	$ 951	$ (951)	$ —	$ —
Technology	9,500	(3,487)	(315)	5,698
Customer relationships	16,300	(1,994)	(389)	13,917
IP	4,500	(208)	—	4,292
Total identified intangible assets	$ 31,251	$ (6,640)	$ (704)	$ 23,907

	December 31, 2022			
	Cost	Accumulated amortization	Currency translation adjustment	Net
Exclusivity right	$ 951	$ (852)	$ —	$ 99
Technology	9,500	(1,645)	(544)	7,311
Customer relationships	16,300	(941)	(901)	14,458
Total identified intangible assets	$ 26,751	$ (3,438)	$ (1,445)	$ 21,868

Amortization expenses recorded for identified intangible assets in the Consolidated Statements of Operations for each period and were as follows:

	For the year ended December 31,	
	2023	2022
Exclusivity right	$ 99	$ 238
Technology	1,842	1,646
Customer relationships	1,053	941
IP	208	—
Total amortization expenses	$ 3,202	$ 2,825

Future amortization expenses are expected to be as follows:

	2024	2025	2026	2027	2028	Thereafter	Total
Future amortization expenses	3,561	3,561	3,561	1,843	1,707	9,674	23,907

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NOTE 8 — INTANGIBLE ASSETS: (cont.)

b. Goodwill

The changes in the carrying amount of goodwill for the years ended December 31, 2023 and 2022 were as follows:

	Architecture and automotive	Safety tech	Aeronautics	Total
Balance as of December 31, 2021	$ —	$ —	$ —	$ —
Changes during the period:				
Goodwill acquired	10,728	6,002	5,242	21,972
Translation differences	(582)	(326)	(284)	(1,192)
Balance as of December 31, 2022	$ 10,146	$ 5,676	$ 4,958	$ 20,780
Changes during the period:				
Translation differences	375	211	184	770
Balance as of December 31, 2023	$ 10,521	$ 5,887	$ 5,142	$ 21,550

The Company operates its business through three reporting segments: Architecture and automotive, Safety tech and Aeronautics. Safety tech and Aeronautics were identified as reporting units. See Note 4 for additional segment information.

The Company determines the fair value of its reporting units using the income approach. According to the income approach, the Company uses discounted cash flows to estimate the fair value. Cash flow projections are based on the Company's estimates of revenue growth rates and operating margins, taking into consideration the industry's and market's conditions. The discount rate used is based on the weighted average cost of capital ("WACC"), adjusted for the relevant risk associated with country-specific and business-specific characteristics.

As of December 31, 2023, the Company performed a quantitative assessment of the reporting units' fair value. No impairment charges were recognized as of December 31, 2023. This, based on the following assumptions:

	Architecture and automotive	Safety tech	Aeronautics
Discount rate	19%	19%	20%
Terminal growth rate	3%	3%	3%

If business conditions or expectations were to change materially, it may be necessary to record impairment charges to the Company's Safety Tech and Aeronautics reporting units in the future.

NOTE 9 — NONCONVERTIBLE LOANS:

a. During 2018, the Company entered into a loan agreement with an Israeli bank in the amount of $1,000 (the "2018 Loan") which was repaid in full by May 2021. As part of the terms of the loan, the Company issued to the bank warrants to purchase 33,810 series A-3 preferred shares at an exercise price of $5.914 per share and exercisable for 6 years commencing from the date of the loan, see Note 16(a). In addition, under the terms of the warrant, the holder has the right to receive an alternative payment of $150 in lieu of shares in the event of an IPO or certain liquidity events, or if the holder is required under certain circumstances to exercise the warrant.

During 2019, the Company entered into a loan agreement with an Israeli bank in the amount of $1,000 (the "2019 Loan") which was repaid in full by January 2022. In addition, in the case of an IPO or certain liquidity events, the bank shall be entitled to receive a bonus of $200 (the "Bonus").

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NOTE 9 — NONCONVERTIBLE LOANS: (cont.)

During 2020, the Company entered into an additional loan agreement with an Israeli bank in the amount of $500 (the "2020 Loan") which was repaid in full by January 2022. As part of the terms of the loan, the Company issued to the bank warrants to purchase 4,180 series C preferred shares at an exercise price of $14.35 per share and exercisable for 8 years commencing from the date of the loan, see Note 16(a). In addition, under the terms of the warrant, the holder has the right to receive an alternative payment of $60 in lieu of shares in the event of an IPO or certain liquidity events, or if the holder is required under certain circumstances to exercise the warrant.

On October 19, 2021, the Company entered into a loan facility agreement with an Israeli bank, pursuant to which the Company borrowed an aggregate loan amount of $3,000, which bears interest at a rate of 4.2% per annum (the "2021 Loan") which was repaid in full by January 2022. As part of the terms of the 2021 Loan, the Company issued to the bank warrants to purchase 5,792 the most senior class of shares, currently series D preferred shares, at an exercise price of $31.08 per share and exercisable for 8 years commencing from the date of the loan, see Note 16(a).

The warrants issued to the bank are classified as liabilities under ASC 480, as they are convertible to contingently redeemable preferred shares, and thus embody an obligation. The obligation to pay the Bonus to the bank meets the definition of a 'derivative' under ASC 815-10-15-83. Thus, both financial instruments are subsequently measured at fair value through profit or loss, see also Note 16(a).

b. In 2020, the Company also entered into a bank loan under an Israeli government established state guaranteed loan for the financial support of businesses following the outbreak of the COVID pandemic. The loan, in the amount of $592 (approximately NIS 2.1 million), has a term of 5 years. The loan bears annual interest of the prime rate plus 1.5% that is paid by the Company beginning from the second year of the loan. The total interest expenses related to COVID Loan amounted to $22 and $19 for the years ended 2023 and 2022, respectively.

As of December 31, 2023 and 2022, the Company has a lien against its bank deposit in the amount of $30, in respect of the aforementioned bank loan granted under the Israeli government as support for the COVID pandemic.

In January 2022, the Bank Loans were repaid in full following the signing of the Facility Agreement, see Note 9(c), except for (i) the three outstanding warrants issued to the bank (see Note 16(a)); (ii) a loan agreement dated May 13, 2020, pursuant to which the Company borrowed an aggregate loan amount of NIS 2.1 million in connection with a pledge dated May 13, 2020 registered on June 8, 2020 (see Note 9(b) above); and (iii) a fee to be paid to the bank in case of an exit event.

c. On January 19, 2022, the Company entered into a facility agreement with certain credit funds for a loan facility in the aggregate amount of up to $30,000 (the "Facility" and the "Facility Agreement", respectively). Subsequent to entering into the Facility Agreement, on January 26, 2022, the Company drew down an amount of $20,000 (the "First Loan") which was used to repay the Company's loans with an Israeli bank, and towards the acquisition of Vision as set forth above.

The Facility Agreement was amended by a First Amendment on April 25, 2022, under which Vision acceded to the Facility Agreement as an additional borrower, and assumed 25% of the first loan ($5,000) and 25% of the unutilized amount of the Facility ($2,500), against repayment of a corresponding amount owed by it to the Company under inter-company loans. The Facility was thereafter fully utilized on April 25, 2022 by the drawdown of loans by each of the Company and Vision (aggregated into a loan in an amount of $22,500 (75%) owed by the Company, and a loan in an amount of $7,500 owed by Vision (25%)) (the "Facility Loans").

The credit funds also received a "phantom warrant" under the terms of the Facility Agreement, for further details see Note 16(d).

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NOTE 9 — NONCONVERTIBLE LOANS: (cont.)

The Facility Loans are secured by a guarantee of the Company of the obligations of Vision and by certain charges and pledges granted by each of the Company and Vision over their assets to secure their respective obligations under the Facility Agreement (including, but not limited to, pledges over the shares of the Company's subsidiaries, including the shares of the Vision).

The Company must (1) utilize amounts received by it as proceeds from an IPO or a merger transaction with a SPAC or as indemnities or compensation pursuant to the terms and conditions of the Share Purchase Agreement with the Vision (other than such indemnities and compensations that do not amount, in the aggregate with any such previous amounts of indemnities and compensations, to $1,000), unless amounts equal to the amounts of such indemnities or compensations are invested in or loaned to Vision, for prepayment; and (2) prepay the Facility Loans upon any "Change of Control" (being an event in which a person gains ownership of

(a) more than 50% of the Company; (b) the right to appoint a majority of the Board of Directors of the Company).

If the Group prepays the Facility Loans, it will pay a prepayment compensation equal to either interest and fees that would have become payable, until lapse of 6 months following the prepayment date; or interest and fees payable that were yet to be paid, for a period between 18 to 24 months following the drawn down dates, depending on the date of prepayment. Prepayment compensation is also payable upon IPO or a merger transaction with a SPAC, and upon any Change of Control, as mentioned above.

As the Facility Loans contained embedded features not closely related to the host contract, the Company elected to apply the fair value option to them. The Company recorded financial expense amounting to $3,984 and other comprehensive income amounting to $443, attributed to changes in own credit risk for the year ended December 31, 2023.

The following are the main covenants provided under the Facility Agreement:

- The Group must maintain at all times an unrestricted cash balance of at least $1,500.
- The Company may not distribute dividends or make payments on account of shareholder loans.
- The Company must procure additional funding in an amount of $10,000 for each of the years 2022 and 2023 (in equity or debt, provided that such debt is subordinated to the loans under the Facility Agreement) following the effective date of the Facility Agreement.
- The Company and its subsidiaries may not incur any debt other than permitted debt, which includes: (i) existing debt; (ii) ordinary course trade debt; (iii) unsecured financial debt in the ordinary course of business, with respect to Company — up to NIS 850,000 and for Vision — up to $800,000; and (iv) indebtedness of members of Vision in respect of factoring or sale of accounts receivables — up to $4.27 million (to be updated on a calendar quarterly basis, in accordance with changes to the revenues of Vision) but in any event not more than the lower of 65% of the revenues of Vision in the immediately preceding quarter and $6.4 million.
- The Group shall not pledge its assets, other than permitted security, which includes: (i) security existing at closing; and (ii) ordinary course liens and pledges.
- The Company and its subsidiaries undertake not to enter into related party transactions, other than agreements existing at closing or in the ordinary course and at arm's length.

On July 3, 2023 the Group entered into a waiver and amendment agreement with respect to the Facility Agreement (the "Waiver and Amendment Agreement"), pursuant to which the Group's repayment obligations have been amended such that the repayment date for certain principal amounts occurring on June 30, 2023 in accordance with the Facility Agreement, shall be postponed and repaid on

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NOTE 9 — NONCONVERTIBLE LOANS: (cont.)

September 30, 2023 (the "Postponed Amounts"). Notwithstanding the aforementioned, the interest payments in accordance with the Facility Agreement shall be paid in accordance with the original payment schedule on the original repayment date. The Postponed Amounts shall bear an additional interest at a rate of 2% per annum. until repayment, due on September 30, 2023. Commencing July 1, 2023, the interest rate of the Facility Loans shall be increased at a rate of 1% per annum. Under the Waiver and Amendment Agreement, the credit funds have been granted a right, upon full repayment of the Facility Loans, to demand payment of up to 50% of the "phantom warrant" (see Note 16(d)). Under the Waiver and Amendment Agreement, the Group undertook to deliver to the credit funds, no later than July 31, 2023, commitment(s) of investor(s) to invest $10.0 million in the Company no later than September 30, 2023.

During October 5, 2023 the Group entered into a waiver and amendment agreement with respect to the Facility Agreement, under which it was agreed that the payment obligations of the Group under the Facility Agreement due on or prior to September 30, 2023 may be postponed until November 2, 2023, in consideration for payment of a waiver fee in a total amount of $1.5 million.

As of December 31, 2023, the Company meets the conditions above or met them within the remedy period, as described below.

As of December 31, 2023, the aggregate unpaid principal balance of the Facility Loans was $24,600. The difference between the fair value and unpaid principal was $1,449.

In connection with the closing of the 2024 Note Purchase Agreement, the Company repaid the amounts owed under the Facility Agreement, for further details see Note 22(a) and Note 22(d).

d. Other than the loans mentioned above, Vision has entered into multiple loans at the amount of $11,753, of which $4,009 are due within a year. The loans bear interest at rate up to %5.00 (weighted average: %3.12).

During 2023, following a negotiation between Vision and its lending banks, the principal payments of the majority of Vision's bank loans between February 2023 to January 2024 has been deferred to January 2024 going forward. The loans' term has extended by twelve months. The principal amount of the loans deferred was $9.4 million (Euro 9.3 million). The interest on the loans will be paid on an going basis, and will be increased by approximately 4%. Most of the changes were accounted for as loan modifications. Since the loans were issued at par, Vision applied the new interest rate as of June 2023 going forward.

As of December 31, 2023, the required annual principal payments of long-term debt, starting from the year 2024, are as follows:

	December 31, 2023
2024*	$ 17,765
2025*	14,756
2026	2,624
2027	1,243
2028 and thereafter	141
Total	$ 36,529

* Includes Facility Agreement principal repayment in the amounts of $13,500 and $11,100 for the years 2024 and 2025 respectively.

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NOTE 10 — SUPPLEMENTARY FINANCIAL STATEMENT INFORMATION:

Balance sheets:

a. Other current assets:

	December 31	
	2023	2022
Prepaid expenses	$ 1,532	$ 372
Other	513	268
	$ 2,045	$ 640

b. Other current liabilities:

Institutions	$ 214	$ 53
Warranty liability	234	258
Expenses payable and other	—	63
Employee rights upon retirement	—	19
	$ 448	$ 393

c. Financial expense, net:

	Year ended December 31	
	2023	2022
Change in fair value of marketable securities measured at fair value	$ (1,655)	$ 350
Change in fair value of warrants and financial liabilities measured at fair value	(31,820)	(2,538)
Interest expense on loans	(13,493)	(3,759)
Foreign exchange loss, net	733	436
Other, net	(887)	35
Total financial income (expense), net	$ (47,122)	$ (5,476)

NOTE 11 — COMMITMENTS AND CONTINGENT LIABILITIES:

a. Government grants

Israel Innovation Authority ("IIA") grants program.

In February 2014, the Company received approval from the IIA for participation in research and development activities performed by the Company ("Support Grant") during 2013 in the amount of $92. As of December 31, 2023, and the date of approval of these financial statements, the Company received a total amount of $77, under the Support Grant. The Company is obligated to pay royalties of 3% to 3.5% to the government of Israel, computed based on the revenues from sales of products that the Company is developing that are assisted by the Support Grant until 100% of the Support Grant, linked to the U.S. dollar, is repaid. Pursuant to reporting and royalty payment procedures of the IIA, such royalties are to be paid at an annual interest rate equal to LIBOR ("the IIA Royalties Computation Method").

In December 2016, and December 2017, the Company received approvals from the IIA for additional Support Grants for research and development activities performed by the Company during the 12 months ended November 30, 2017, and November 30, 2018, in an aggregate amount of approximately $680 (NIS 2,641) and $480 (NIS 1,565), respectively. The Company is obligated to pay royalties of 1% to 1.5% royalties to the government of Israel, computed based on the IIA Royalties Computation Method.

As part of the Support Grant programs, the Company received total amounts of $737 (NIS 2,641) and $437 (NIS 1,565), respectively. The Company did not receive any grants during 2021-2023 and is not expected to receive further grants under the IIA grants program.

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NOTE 11 — COMMITMENTS AND CONTINGENT LIABILITIES: (cont.)

The Company's royalty expenses to the government of Israel for the years ended December 31, 2023 and 2022 in respect of the mentioned programs were $31 and $59, respectively.

As of December 31, 2023, the Company had a contingent obligation to the IIA in the amount of approximately $1,275 including annual interest of LIBOR linked to the dollar.

In October 2023, it was published that the interest rate on the Support Grant will be replaced with a 12 month Term SOFR which is published on the first trading day of each calendar year.

b. Agreement with an investment banker

During the year ended December 31, 2020 the Company entered into a contract with an investment banker, as subsequently amended for the purpose of obtaining advisory services regarding possible future mergers, possible fund raising and debt financing alternatives. For those services, the Company agreed to pay a fee equal to a percentage of the principal amount of debt issued by and/or committed to the Company in a debt financing, and the gross proceeds raised in a PIPE, and a fixed amount for the closing of Vision acquisition, all net of taxes, at the closing of the fund-raising round, debt financing and business combination transaction.

With the Closing of the Facility Agreement on January 19, 2022 (see Note 9(c)) and the closing of the business combination and Series D Round on January 26, 2022, respectively (see Note 3 and Note 14(d)), the Company's commitment to the investment banker totaled to $2,500. The services related to business combination were treated as transaction expenses and recorded in other expenses, the services related to the fund raising of Round D, were treated as issuance expenses and presented net of the issuance of preferred shares in the statement of changes in redeemable convertible preferred shares, the services related to the Facility Agreement were treated as debt and derivative transaction expenses and adjusted the net amount of debt recognized or recorded in the Company's statement of operation, respectively. As of December 31, 2023, payable balance of the investment banker was $1,575 as recorded in the balance sheet.

c. Employee retirement benefits

Vision's retirement commitments are partly covered by payments made under a retirement contract for the benefit of employees and managed externally at Natixis Financial Institution. The provision for retirement benefits on December 31, 2023 represents an accrual for lump-sum payments to be paid at the time an employee retires if he or she is still employed by the Company at the date of retirement.

Vision's benefit obligation on December 31, 2023 was $1,658. Vision's plan assets consisted of cash deposits in an amount of $439 on December 31, 2023.

The Group recognized a net amount of $88 in profit and loss for the net benefit obligation in 2023.

The benefits expected to be paid in each of the next five fiscal years, and in the aggregate for the five fiscal years thereafter, are detailed in the table below:

2024*	$	11
2025		12
2026		58
2027		154
2028		97
2029 and thereafter		887
Total payments	$	1,219

(*) presented as part of employee related obligations

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NOTE 11 — COMMITMENTS AND CONTINGENT LIABILITIES: (cont.)

Weighted-average assumptions used to determine net benefit cost for 2023 were as follows:

	2023
Discount rate	3.2%
Rate of compensation increase	3.0%
Turnover rate	5.6%
Expected long-term rate of return on plan assets	3.2%

NOTE 12 — LEASES:

The Group enters into operating leases of research and development facilities, production facilities and executive offices in Israel, production facilities in Germany, buildings, equipment, leases in France, and offices in the United States and China, under several lease agreements. Vision also enters into financing leases of production equipment, machines and molds in France.

The lease agreements for the facilities in Israel are denominated in NIS and linked to the Israeli consumer price index ("CPI"). The lease agreements in Germany and France are denominated in Euro. The lease agreements for the facilities in the United States are denominated in USD. The lease agreements for the facilities in the China are denominated in RMB.

The remaining lease terms are up to 10 years as of December 31, 2023, including the option to extend the lease period. Vision has an option to purchase the production equipment at the end of the lease.

In addition, the Company provided a rental security in the form of restricted bank deposit of total $127, and rental securities in the form of restricted deposit of total $84, in order to secure the lease agreements.

The Company entered into operating lease agreements in connection with the leasing of several vehicles. The lease periods are generally for three years and the payments are linked to the Israeli CPI or are denominated in Euro. To secure the terms of the lease agreements in Israel, the Company has made certain prepayments to the leasing company, representing approximately three months of lease payments. These amounts have been recorded as part of the operating lease right to use assets.

Operating lease costs for the years ended December 31, 2023 and 2022 are as follows:

	Year Ended December 31	
	2023	2022
Fixed payments and variable payments that depend on an index or rate:		
Equipment leases	$ 646	$ 479
Office and operational spaces lease expenses	2,090	1,646
Vehicle lease expenses	151	190
Total	$ 2,887	$ 2,315

Additional information for the years ended December 31, 2023 and 2022:

	Year Ended December 31	
	2023	2022
Variable lease cost (included in the operating lease costs)	$ 54	$ 37

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NOTE 12 — LEASES: (cont.)

Operating cash flows, for amounts included in the measurement of lease liabilities are as follows:

	Year Ended December 31	
	2023	**2022**
Equipment leases	$ 705	$ 400
Office and operational spaces lease expenses	$ 2,037	$ 1,736
Vehicle lease expenses	$ 150	$ 146

Supplemental information related to operating leases is as follows:

	December 31	
	2023	**2022**
Operating lease right-of-use assets	$ 12,377	$ 8,971
Operating lease liabilities	$ 11,606	$ 8,702
Weighted average remaining lease term	2.7	4.3
Weighted average discount rate	12.29%	9.08%

Financing lease costs for the years ended December 31, 2023 and 2022 are as follows:

	Year Ended December 31	
	2023	**2022**
Amortization of right of use assets	$ 273	$ 321
Interest on lease liabilities	10	15
Total	$ 283	$ 336

As of December 31, 2023, the Company has not entered into lease agreements that include options to extend them that are not included in the measurement of the lease liability.

Maturities of lease liabilities are as follows:

	Operating leases	**Financing leases**
2024	$ 2,728	$ 250
2025	2,008	75
2026	1,724	13
2027	1,654	—
2028 and thereafter	5,635	—
Total lease payments	$ 13,749	$ 338
Less imputed interest	$ 2,143	$ 2
Total lease liabilities	$ 11,606	$ 336

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NOTE 13 — FAIR VALUE MEASUREMENTS:

a. Financial instruments measured at fair value on a recurring basis

The Company's assets and liabilities that are measured at fair value as of December 31, 2023, and 2022, are classified in the tables below in one of the three categories described in "Note 2 — Fair value measurement" above:

	December 31, 2023		
	Level 1	Level 3	Total
Financial Assets			
RFI Shares	$ 1,857		$ 1,857
Financial Liabilities			
Warrants and phantom warrants		21,566	21,566
CLAs		55,940	55,940
NPA		21,976	21,976
Earn-out liability		2,997	2,997
Facility loans		23,151	23,151
Other		$ 186	$ 186

	December 31, 2022		
	Level 1	Level 3	Total
Financial Assets			
RFI Shares	$ 3,512		$ 3,512
Financial Liabilities			
Warrants and phantom warrants		8,267	8,267
CLAs		3,809	3,809
Earn-out liability		3,917	3,917
Facility loans		29,745	29,745
Other		$ 185	$ 185

The following is a roll forward of the fair value of liabilities classified under Level 3:

	2023					
	Warrants*	CLAs	NPA	Facility loan	Earn-out liability	Other
January 1, 2023	$ 8,267	$ 3,809	$ —	$ 29,745	$ 3,917	$ 185
Issuance	14,649	27,225	19,750	—	—	—
Payment	—	—	—	(5,400)	(1,667)	—
Change in fair value	(1,350)	24,906	2,226	(1,194)	747	1
December 31, 2023	$ 21,566	$ 55,940	$ 21,976	$ 23,151	$ 2,997	$ 186

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NOTE 13 — FAIR VALUE MEASUREMENTS: (cont.)

	2022					
	Warrants*	**SAFEs**	**CLAs**	**Facility loan**	**Earn-out liability**	**Other**
January 1, 2022	$ 380	$ 3,000	$ 3,143	$ —	$ —	$ 195
Issuance	8,338	—	—	26,657	—	—
Business Combination	—	—	—	—	1,323	—
Change in fair value	(451)	—	666	3,088	2,594	(10)
Classification to warrants and equity	—	(3,000)	—	—	—	—
December 31, 2022	$ 8,267	$ —	$ 3,809	$ 29,745	$ 3,917	$ 185

The fair value of the Company's liabilities, based on the Company's share price that are classified as Level 3 for the December 2023 and 2022 valuation was estimated using a hybrid model in order to reflect two scenarios: (1) IPO event and (2) other liquidation events. The IPO scenario was based on the fair value of the Company's business based on management estimation. The other liquidation events scenario was based on various market indications using an option pricing model (OPM) (income approach-based valuation technique). Application of these approaches and methodologies involves the use of estimates, judgments, and assumptions that are highly complex and subjective, such as those regarding the Company's expected future revenue, expenses, and future cash flows, discount rates, the selection of comparable public companies, and the probability of and timing associated with possible future events.

The following table presents the main assumptions used in the hybrid model for the periods presented:

	December 31	
	2023	**2022**
Expected volatility	44.87%	44.07%
Assumptions regarding the price of the underlying shares:		
Probability of an IPO scenario	25%	25%
Expected time to IPO (years)	0.75	1.0
Probability of liquidation events	75%	75%
Expected time to liquidation (years)	2.0	2.0

A significant increase in the expected volatility, probability of IPO, in isolation, could increase the fair value of the related instruments. A significant decrease in expected term or expected time to IPO, in isolation, could decrease the fair value of related instruments. In combination, changes in these inputs could result in a significantly higher or lower fair value measurement if the input changes were to be aligned or could result in a minimally higher or lower fair value measurement if the input changes were of a compensating nature.

As of December 2023, the Second Earn Out Period was met. The discounted contingent consideration updated to $3.0 million (€2.7 million) using Company's debt interest rate considering a payment of $1.7 million (€1.5 million) at December 28, 2023 (see Note 3(c)).

The fair value of the facility loan, measured under the fair value option (see Note 9(c)), was measured by discounting the predicted cashflows of the loan, including anticipated prepayment penalties when applicable, using a spread equal to 0.65% above an ilCaa1 USD yield curve.

b. Financial instruments measured not at fair value on a recurring basis

Financial instruments not recorded at fair value on a recurring basis include cash and cash equivalents, restricted cash, trade receivables, bank deposits, trade and other payables and short-term borrowings. Due to their nature, their fair value approximates their carrying value.

The fair value of Vision's bank loans approximates their carrying value.

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NOTE 14 — REDEEMABLE CONVERTIBLE PREFERRED SHARES AND SHAREHOLDERS' EQUITY:

a. As of December 31, 2023 and 2022, the share capital is composed of0.23 NIS par value shares, as follows:

	December 31, 2023			
	Authorized	Issued and paid	Carrying Value	Liquidation Preference
Ordinary Shares	16,987,315	5,276,184	$ 320	
Preferred A Shares	1,343,233	755,566	$ 5,804	
Preferred A-1 Shares	235,678	—	—	
Preferred A-2 Shares	257,062	—	—	
Preferred A-3 Shares	1,835,964	1,437,045	$ 9,882	
Preferred B Shares	439,091	333,366	$ 2,292	
Preferred C Shares	2,195,457	590,059	$ 8,967	$ 9,039
Preferred D Shares	2,195,457	1,587,881	$ 43,592	$ 64,152
Preferred D-1 Shares	1,602,684	—	—	—
Preferred D-2 Shares	1,646,593	—	—	—
Preferred D-3 Shares	878,183	—	—	—
Preferred D-4 Shares	1,251,411	—	—	—
Preferred D-5 Shares	768,410	—	—	—
Preferred D-6 Shares	373,228	—	—	—

	December 31, 2022			
	Authorized	Issued and paid	Carrying Value	Liquidation Preference
Ordinary Shares	12,574,446	2,786,413	$ 164	
Preferred A Shares	1,343,233	1,333,907	$ 9,174	
Preferred A-1 Shares	235,678	235,678	$ 1,620	
Preferred A-2 Shares	257,062	257,062	$ 1,768	
Preferred A-3 Shares	1,835,964	1,826,646	$ 12,561	
Preferred B Shares	439,091	333,366	$ 2,292	
Preferred C Shares	2,195,457	1,522,532	$ 23,253	$ 23,325
Preferred D Shares	1,756,366	1,618,904	$ 44,451	$ 65,406
Preferred D-1 Shares	1,317,274	—	—	—

b. Each ordinary share confers upon its holder the right to one vote and to receive dividends as declared by the Board of Directors of the Company. Since inception, the Company has not declared any dividends.

c. Preferred shares rights under the Company's articles of association prior to the adoption of the Round D Articles (as defined below):

The holders of the redeemable convertible preferred shares A, A-1, A-2, A-3, B and C (the "Series A, B and C Preferred Shares") had the following rights, preferences and privileges:

Voting rights:

The holder of each Series A, B and C Preferred Share had the right to one vote for each ordinary share into which such preferred share could then be converted.

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NOTE 14 — REDEEMABLE CONVERTIBLE PREFERRED SHARES AND SHAREHOLDERS' EQUITY: (cont.)

Right to convert:

1) Each Series A, B and C Preferred Share is convertible, at the option of the holder thereof, at any time after the issuance of such share, into such number of fully paid and non-assessable ordinary shares of the Company as is determined by the conversion rate then in effect for such preferred share, based on the share's conversion price (see below).

The initial conversion price per share for the Series A, B and C Preferred Shares is their applicable original issue price, provided, however, that the conversion price for the Series A, B and C Preferred Shares is subject to adjustments, as described in the Company's articles of association (see below).

Automatic conversion:

Each Series A, B and C Preferred Share shall be automatically converted, without payment of additional consideration, into ordinary shares at the conversion rate then in effect, upon the earlier of: (a) a Qualified IPO, as defined below, or (b) if the majority of the then outstanding Series A, B and C Preferred Shares voting together as a single class have requested in writing to convert their shares into ordinary shares.

Qualified IPO means, an (i) IPO yielding net proceeds to the Company of at least $25,000 and having a pre-money valuation that equals or exceeds $125,000.

Anti-dilution protection:

The Series A, B and C Preferred Shares have certain anti-dilution protection. According to the anti-dilution rights, the conversion price then in effect for such preferred share shall be reduced, concurrently, for no additional consideration in an event the Company issues new securities for an effective price which is less than the applicable conversion price then in effect for each Series A, B and C Preferred Share.

Amendment of distribution preference:

In the event of a liquidation or a distribution, all of the assets or proceeds available for distribution to the shareholders (the "Distributable Proceeds") shall be distributed among the shareholders on a pro rata basis amongst themselves (on an as-converted basis) according to the order of preference in the seniority of the class of shares, see below in note 14(f) the current distribution preference.

The Company concluded that the preferred shares, before and after the amendment of the Company's articles of association, should be presented outside permanent equity. This is because under both versions of the Company's articles of association, they include Deemed Liquidation events that would constitute a redemption event that is outside of the Company's control.

d. On December 17, 2021, the Company entered into the Series D Share Purchase Agreement with existing and new investors, as amended on May 26, 2022 and September 30, 2022, (the "Series D SPA") as well as ancillary agreements with certain investors to raise capital in the amount of up to $75,000 providing for, among other things, the issuance by the Company of series D preferred shares, and warrants to purchase series D-1 preferred shares (the "Series D Round"), with such shares to have the rights and privileges as set forth in the Round D Articles. The initial closing of the Series D Round occurred on January 27, 2022, in which an amount of $24,444 was subscribed by investors including an amount of $3,000 received by the Company pursuant to a certain SAFE dated August 24, 2021 (see Note 17), by and between the Company and the parties set forth therein, which was converted into series D preferred

NOTE 14 — REDEEMABLE CONVERTIBLE PREFERRED SHARES AND SHAREHOLDERS' EQUITY: (cont.)

shares at the closing of the Series D Round in 2022. Following the amendments to the Series D Round, the Company had until March 31, 2023, to raise the additional amounts. As of December 31, 2023, the Company has raised an additional $27,184.

In connection with the Series D Round, on January 25, 2022, the shareholders of the Company adopted the amended and restated Articles of Association (the "Round D Articles") which included the new class of Series D Preferred Shares and Series D-1 Preferred Shares issued in connection with the Series D Round. The Round D Articles included the following main changes:

Amendment to definition of a Qualified IPO:

The definition of a Qualified IPO was amended to include an IPO yielding net proceeds to the Company of at least $50 million (instead of $30 million) reflecting a pre-money valuation of at least $450 million (instead of $150 million – $250 million, depending on the timing of the IPO) ("Target Value"); or a SPAC Transaction in which the combined company's net cash position after the merger is increased by at least $50 million (including funds from the SPAC entity and/or a concurrent PIPE investment) and which reflects a pre-money Company valuation that equals or exceeds the Target Value.

Addition of Distribution Preference:

The distribution preference was amended to first, allow the holders of Preferred D Class Shares and Preferred D-1 Class Shares ("Preferred D Holders") to receive, from the Distributable Proceeds, on a pro-rata basis (on an as-converted basis) among the Preferred D Holders, prior and in preference to the holders of the other shares, for each Preferred D Class Share and Preferred D-1 Class Share held by them, an amount equal to the original issue price of each Preferred D Class Share and Preferred D-1 Class Share ($31.08 and $34.19, respectively, as adjusted for any recapitalization, share combinations, share dividends, share splits and the like with respect to such shares) times 1.3, plus any declared an unpaid dividend, from the date of issuance of such share until the date of Distribution of such Distributable Proceeds, less any amount previously paid in respect of the Preferred D

Class Shares or Preferred D-1 Class Shares, see below in note 14(f) the current distribution preference.

Preferred D Shares conversion adjustment mechanism:

Preferred D Shares contain a unique adjustment mechanism to the conversion ratio, according to which, until immediately following the earlier of a Qualified IPO and a Deemed Liquidation (as defined in the Company's Round D Articles), upon the first event (and in each such event) of (1) a Deemed Liquidation; or (2) upon issuance of new securities by the Company at valuation less than the Target Value, the conversion price of Preferred D Shares would be reduced to 20% discount on the lowest price per share for which the Company issued new securities (the "Discount"). Alternatively, if requested by the Preferred D Holders, holding a majority of the Preferred D Shares, the Company shall issue to the Preferred D Holders at such time, for no additional consideration, additional Preferred D Shares by also adjusting the original issue price of the shares.

As the consummation of a Designated IPO or a SPAC Transaction (as both terms are defined in the Round D Articles) has not occurred prior to August 31, 2022, the Discount was amended to thirty percent (30%).

At the closing of the Series D Round in January 2022, the Company issued to the investors a total of 786,540 series D preferred shares, of which 96,530 were issued upon conversion of the SAFE that was signed in September 2021, and 64,353 were issued in consideration for the $2,000 invested prior to the

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NOTE 14 — REDEEMABLE CONVERTIBLE PREFERRED SHARES AND SHAREHOLDERS' EQUITY: (cont.)

closing (but as part of the total investment in the round). For the accounting treatment of the warrants to purchase series D-1 preferred shares, see Note 16. Any proceeds in excess of the fair value of the warrants were attributed to the issuance of series D preferred shares.

e. On March 31, 2023 the Series D SPA deferred closing occurred, following the majority of the Series D SPA preferred shareholders consent from September 30, 2022 to extend the round until March 31, 2023.

f. In connection with the consummation of the 2023 CLA, on April 27, 2023, the shareholders of the Company adopted the amended and restated Articles of Association (the "CLA Articles") which included the issuance of the new class of Series D-2 Preferred Shares, Series D-3 Preferred Shares and Series D-4 Preferred Shares to be issued in connection with the 2023 CLA conversion (the "Preferred CLA Class Shares"). The CLA Articles included the following main changes:

Amendment of the Company's authorized shares:

The authorized share capital of the Company shall be NIS 26,345,486, comprised of an aggregate of 26,345,486 shares, divided into: 13,650,220 Ordinary Shares, 1,343,233 Preferred A Shares, 235,678 Preferred A-1 Shares, 257,062 Preferred A-2 Shares, 1,835,964 Preferred A-3 Shares, 439,091 Preferred B Shares, 2,195,457 Preferred C Shares, 2,195,457 Preferred D Shares, 1,602,684 Preferred D-1 Shares, 548,864 Preferred D-2 Shares, 790,365 Preferred D-3 Shares and 1,251,411 Preferred D-4 Shares.

Amendment in the distribution preference:

The distribution preference was amended to first, allow the holders of the Preferred CLA Class Shares to receive, from the Distributable Proceeds, on a pro-rata basis (on an as-converted basis) among the Preferred CLA Class Shares holders, prior and in preference to the holders of the other shares, for each Preferred CLA Class Share held by them, an amount equal to the original issue price of each Preferred CLA Class Share (the price per share upon conversion pursuant to the 2023 CLA) times with respect to the Preferred D-2 Shares and the Preferred D-3 Shares, 1.5, and with respect to the Preferred D-4 Shares, 2,, plus any declared an unpaid dividend, from the date of issuance of such share until the date of Distribution of such Distributable Proceeds, less any amount previously paid in respect of the Preferred CLA Class Shares pursuant to this distribution preference (the "Preferred CLA Preference Amount"); In the event that the Distributable Proceeds shall be insufficient for the distribution of the Preferred CLA Preference Amount in full to all of the Preferred CLA Class Shares holders, the Distributable Proceeds shall be distributed among the Preferred CLA Class Shares holders on a pro rata basis in proportion to the amounts such holders would have received had the remaining Distributable Proceeds been sufficient for the distribution of the Preferred CLA Preference Amount in full.

Notwithstanding the foregoing, in the event the Distributable Proceeds are in an amount which — had all of the Preferred CLA Class Shares, the Preferred D Shares and Preferred C Shares been converted into Ordinary Shares immediately prior to such Distribution, and all Distributable Proceeds distributed among all holders of Shares of the Company on a pro-rata basis — would provide an amount of Distributable Proceeds to the Preferred CLA Class Shares holders, Preferred D Holders and the Preferred C Holders equal to or greater than the Preferred CLA Preference Amount, Preferred D Preference Amount and the Preferred C Preference Amount, then all Distributable Proceeds shall be distributed amongst all holders of Shares of the Company on a pro-rata basis.

Special Mandatory Conversion:

In the event that a holder of preferred shares does not participate in a Qualified Financing (as defined in the CLA Articles), by purchasing in the aggregate, in such Qualified Financing, and within the time period specified by the Company, such holder's Required Portion (as defined in the CLA Articles) of

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NOTE 14 — REDEEMABLE CONVERTIBLE PREFERRED SHARES AND SHAREHOLDERS' EQUITY: (cont.)

the Offered Securities (as defined in the CLA Articles) in such Qualified Financing, then the Applicable Portion (as defined in the CLA Articles) of the preferred shares held by such holder of preferred shares shall automatically, and without any further action on the part of such holder of preferred shares or the Company, be converted into Ordinary Shares at the Preferred Conversion Price (as defined in the CLA Articles) in effect immediately prior to the consummation of such Qualified Financing, effective upon, subject to, and concurrently with, the consummation of the Qualified Financing.

The Amendment of the CLA Articles did not have an impact on the Company's equity.

g. Following the adoption of the CLA Articles (see Note 14f) and the consummation of the 2023 CLA (see Note 15b), certain Preferred A Shares, Preferred A-1 Shares, Preferred A-2 Shares, Preferred C Shares, And Preferred D Shares were converted to a total of 2,466,517 Ordinary Shares.

h. In connection with the consummation of the NPA, on November 7, 2023, the shareholders of the Company adopted the amended and restated Articles of Association (the "NPA Articles") which included the issuance of the a class of Series D-5 Preferred Shares, Series D-6 Preferred Shares to be issued in connection with the NPA (see note 15(c). The NPA Articles included the following main changes:

Amendment of the Company's authorized shares:

The authorized share capital of the Company shall be NIS 32,009,765, comprised of an aggregate of 32,009,765 shares, divided into: 16,987,315 Ordinary Shares, 1,343,233 Preferred A Shares, 235,678 Preferred A-1 Shares, 257,062 Preferred A-2 Shares, 1,835,964 Preferred A-3 Shares, 439,091 Preferred B Shares, 2,195,457 Preferred C Shares, 2,195,457 Preferred D Shares, 1,602,684 Preferred D-1 Shares, 1,646,593 Preferred D-2 Shares, 878,183 Preferred D-3 Shares, 1,251,411 Preferred D-4 Shares, 768,410 Preferred D-5 Shares and 373,228 Preferred D-6 Shares.

NOTE 15 — CONVERTIBLE LOAN AGREEMENTS:

a. During the first quarter of 2020, the Company entered into convertible loan agreements (the "CLA") with three lenders (the "CLA Lenders") pursuant to which the CLA Lenders agreed to loan the Company a sum of $2,550 ("Loan Amount"). The CLAs were issued with warrants to purchase series C shares, see Note 16(b), and bear 10% annual interest and matured on July 31, 2021 ("Maturity Date"). If the Loan Amount is repaid or converted prior to the Maturity Date, the interest will be calculated as of the Maturity Date and not the actual repayment or conversion date.

The CLA contains conversion clauses such as:

1) Conversion upon a Qualified Financing (as defined in the CLA agreements, "Qualified Financing") the CLA Lenders may require the Company to convert the Loan Amount into the Company's most senior class shares issued in the Qualified Financing equal to the number determined by dividing the Loan Amount by the price per share in the Qualified Financing.

2) Merger and Acquisition (M&A) Transaction — the CLA Lenders may require the Company to either repay the Loan Amount and the interest or to convert the Loan Amount into the most senior class of shares of the Company existing immediately prior to the closing of such event at a conversion price per share equal to the lower of:

(i) the price per share in such an event; and

(ii) a price per share reflecting a $110,000 pre-money Company valuation on a fully diluted basis as of such date.

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NOTE 15 — CONVERTIBLE LOAN AGREEMENTS: (cont.)

3) Conversion upon the Maturity Date — the CLA Lenders shall either require the Company to repay the Loan Amount and the interest or to convert the Loan Amount into the most senior class of shares of the Company outstanding at the time of such conversion (but of a new sub-class if there are a differing issuance prices) as follows:

   (i) if a Qualified Financing has occurred, the Loan Amount shall be converted in accordance with conversion upon a Qualified Financing;

   (ii) if a Qualified Financing has not occurred but a Non-Qualified Financing (as defined in the CLA agreements, "Non-Qualified Financing") has occurred, the Loan Amount shall be converted at a price per share equal to the number determined by dividing the Loan Amount by the lowest price per share in any Non-Qualified Financing; and

   (iii) if neither a Qualified Financing nor a Non-Qualified Financing has occurred, the Loan Amount shall be converted at a price per share reflecting a $77,000 pre-money Company valuation on a fully diluted basis as of such date. Based on that, as of December 31, 2020 the loan (including accrued interest) is convertible into 191,422 Preferred C shares.

4) Upon repayment or conversion of the Loan Amount, the CLA Lenders shall have the right to receive the interest as a cash payment or to convert the interest into shares of the Company. In the event the lenders elects to convert the interest into shares of the Company, the interest shall be converted as follows:

   (i) if such conversion is in connection with the conversion of the Loan Amount, the interest shall be converted together with and pursuant to the same terms as the Loan Amount; and

   (ii) if such conversion is in connection with the repayment of the Loan Amount, the interest shall be converted into the most senior class of shares of the Company outstanding at the time of such conversion (but of a new sub-class if there are differing issuance prices), equal to the number determined by dividing the interest by a price per share reflecting a $77,000 pre-money Company valuation on a fully diluted basis as of such date.

During January 2021, one of the CLA Lenders converted its CLA into 15,008 series C preferred shares, for an amount of $230 including accrued interest. As a result of the CLA having converted into series C preferred shares in January 2021, its warrants expired according to its terms.

The Company entered into amendment to the CLA whereby the two remaining CLA Lenders under such CLA agreed to amend the CLA such that: (i) the Maturity Date was extended currently to July 31, 2023, (ii) the interest on the loan should be accrued and be compounded on a quarterly basis commencing August 1, 2021, (iii) repayment of the loan shall only occur upon 60 days' prior written notice by the Company to the CLA Lenders, (iv) to the extent the Company is unable to repay the loan by the amended Maturity Date, the CLA Lenders shall agree to a further extension, (v) the CLA Lenders agreed with the lenders under the Facility Agreement (see Note 9(c) that the rights of the CLA Lenders are subordinated in favor of the lenders under the Facility Agreement including not having any rights to receive or to demand any payments under the CLA (other than to convert into shares) until the obligations under the Facility Agreement has been discharged in full, (vi) as of August 1, 2022, the interest was amended to reflect a net interest rate of twelve percent (12%) per annum, compounded on a quarterly basis, which shall be due and payable upon either repayment or conversion of the loan in accordance with the terms of the CLA, by way of the Company's conversion of the interest into Preferred C Shares of the Company at a price per share equal to $10.72, or repayment of the interest, as shall be determined by the lenders, and (vii) a mandatory conversion of

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NOTE 15 — CONVERTIBLE LOAN AGREEMENTS: (cont.)

the loan into Preferred C Shares of the Company immediately prior, and subject to, the closing of an IPO or SPAC Transaction (as defined in the Company's articles of association, as in effect from time to time), regarding the amendments related to the accompanying warrants, see Note 16(b).

On July 31, 2023, the CLA and the accompanying warrants mentioned above, were further amended in order to extend the term of the underlying loan for an additional 24 months until July 31, 2025. In addition, the interest was amended such that in the event the CLA is converted in accordance with its terms prior to the amended maturity date, the CLA shall accrue total interest of 24% from the date of the amendment until the earlier of the conversion and the maturity date.

As of December 31, 2023, the remaining balance of the CLA (including the accrued interest) is convertible into 319,250 series C preferred shares.

b. During 2023 the Company entered into convertible loan agreements, (the "2023 CLA") with several lenders (the "CLA Lenders") pursuant to which the CLA Lenders agreed to loan the Company up to $25.0 million (the "Loan Amount"). As of December 31, 2023, a sum of $27.2 million was subscribed by the lenders. As of April 12, 2024, a sum of $34.3 million was subscribed by the lenders. The CLA were issued with warrants to purchase the most senior class of shares of the Company existing immediately prior to the conversion. The exercise period under the accompanying warrants commencing on the date of conversion or repayment of the applicable CLA Lender's Loan Amount and ending on the fifth (5^{th}) anniversary of the date thereof.

The CLA contains conversion clauses such as:

1) Conversion upon an IPO (as defined in the Company's articles of association, as in effect from time to time), each CLA Lender may require the Company to repay the applicable lender's Loan Amount and the interest from the IPO proceeds or convert its applicable Loan Amount and interest into the Company's most senior class of shares then issued equal to the number determined by dividing the lenders loan amount plus interest by the IPO PPS (as defined in the 2023 CLA).

2) Conversion upon a Deemed Liquidation (as defined in the Company's articles of association, as in effect from time to time), each CLA Lender may require the Company to repay the applicable lender's Loan Amount and the interest or convert its applicable Loan Amount and interest into the Company's most senior class of shares then issued equal to the number determined by dividing the lenders loan amount plus interest by the Deemed Liquidation PPS (as defined in the 2023 CLA).

3) Conversion upon a Qualified Financing (as defined in the 2023 CLA) each CLA Lender may require the Company to convert its applicable Loan Amount and interest into the Company's most senior class of shares then issued equal to the number determined by dividing the lenders loan amount plus interest by the Qualified Financing PPS (as defined in the 2023 CLA).

4) Optional conversion or repayment, each CLA Lender may convert its applicable Loan Amount and interest into the Company's most senior class of shares then issued equal to the number determined by dividing the lenders loan amount plus interest by the Optional PPS (as defined in the 2023 CLA). Otherwise, a lender who does not so notify the Company shall be deemed to have elected to have the Company repay its applicable lender loan amount.

5) Conversion upon the Final Date (as defined in the 2023 CLA) each CLA Lender may convert its applicable Loan Amount into the Company's most senior class of shares then issued equal to the number determined by dividing the lenders loan amount plus interest by the Final Date PPS (as defined in the 2023 CLA).

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NOTE 15 — CONVERTIBLE LOAN AGREEMENTS: (cont.)

6) Each lender's Loan Amount shall bear interest at a rate of twelve percent (12%) per annum (compounded annually). The interest shall be due and payable upon repayment, or upon the conversion of the lender's Loan Amount; Notwithstanding the foregoing, any Lender extending an amount which reflects an increase of thirty percent (30%) or more over its Required Pro Rata Portion (as defined in the 2023 CLA) based on a loan amount of US $15.0 million (each such Lender, an "Overallotment Lender") shall bear simple non-compounding interest of twenty-four percent (24%) (the "Overallotment Interest") from the relevant Disbursement Date (as defined in the 2023 CLA) until the earlier of the expiration of the Bonus Period (as defined in the 2023 CLA) or the repayment or conversion of such Overallotment Lender's Loan Amount. Following the Bonus Period, such (including the Overallotment Interest) shall continue to bear interest at the rate as set forth in the first sentence above.

For existing investors not participating in the 2023 CLA round, their existing Preferred Shares were converted to ordinary shares, see Note 14(g).

As the instruments contain multiple embedded features, the Company elected to account for the CLAs and Subsequent CLA under the fair value option in accordance with ASC 825. Under the fair value option, changes in fair value are recorded in earnings. The Company recorded financial expense amounting to $24,906 and $666 for the years ended December 31, 2023 and 2022, respectively.

As of December 31, 2023, the required annual principal payments of CLAs, starting from the year 2024, are as follows:

	December 31, 2023
2028 and thereafter	$ 29,575
Total	$ 29,575

c. On November 8, 2023 the Group entered a Note Purchase Agreement (the "NPA") among Chutzpah Holdings Ltd. a related party, ("Purchaser") as purchaser, administrative agent and collateral agent. Under the NPA, Purchaser extended a credit facility to the Group in an aggregate principal amount of $60.0 million, that may be utilized and drawn down by way of issuance and sale of senior secured notes ("Notes") to Purchaser. As of the date of these consolidated financial statements the Group withdrew $19.75 million.

The principal amount of any Notes issued to Purchaser under the NPA bear interest at a rate of 16.0% per annum, payable by the issuer quarterly, starting March 31, 2024. In addition, a commitment fee of 5.0% per annum is payable by the issuer on the unutilized amount of the credit facility (being $60.0 million, subject to any termination in whole or part, less the aggregate principal amount of Notes issued under the NPA).

Upon repayment or prepayment of any Notes, the issuer of such Notes has to pay the Purchaser an exit fee equal to 4.0% of the principal amount of the Notes being repaid or prepaid. In addition, Purchaser is entitled, upon the final repayment or prepayment of the Notes (including by way of conversion), to payment of a make whole amount equal the difference (if any) between (i) the aggregate principal amount of all issued Notes, including interest, commitment fees, exit fees and any agent fees payable to the Purchaser, and (ii) an amount equal to 1.5x of the gross principal amount of the Notes issued to Purchaser under the NPA.

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NOTE 15 — CONVERTIBLE LOAN AGREEMENTS: (cont.)

The Notes are due to be payable in full on November 8, 2028, provided that Purchaser may call the prepayment of any issued Notes following (i) the consummation of an initial public offering of the common shares of the Company ("IPO"), with a 30 day notice, or (ii) the consummation of any financing transaction which includes the refinancing or repayment of the loans of under the Facility Agreement.

Following the consummation of an IPO, at Purchaser's discretion, up to $20.0 million of the outstanding principal amount of the issued Notes may be converted into publicly tradable common shares of the Company. The conversion shall be effected at a price equal to the public offering price of the Company's common shares in its initial public offering, after applying a 20% discount rate, provided that if an IPO has not occurred by November 8, 2024, the percentage discount rate shall increase by an additional 5% on such date and every 6 months from and after November 8, 2024, provided however that the total discount rate shall not exceed 50%.

The amounts owing under the NPA, including principal, interest and fees payable to Purchaser, are secured by a second ranking lien on the assets of Group and subject to the first ranking liens granted to the credit funds under the Facility Agreement.

Regarding the warrants granted by the Company to the Purchaser under the "NPA", see Note 16(g).

Under the NPA, the Company and its subsidiaries are subject to various negative and affirmative covenants, which include, among others, the following: (i) limitations on incurrence of additional financial indebtedness and on grant of liens (subject to certain permitted incurrence of indebtedness); (ii) limitations on investments in, and formation or acquisition of, additional entities or joint ventures; (iii) limitations on the conduct of any material activities other than those related to the development, manufacture and marketing of vision and light control technologies or incidental thereto; (iv) the Company is required to maintain at all times a cash balance of at least $1.5 million; and (v) additional limitations on payments to shareholders of dividends or any indebtedness, and other imitations on change in control as specified in the NPA. In addition, the NPA contains events of default customary in such transactions, including non-payment; breach of covenants; breach of representations; bankruptcy, insolvency proceedings and creditors' process; occurrence of a material adverse event, in each case may be subject to grace or cure periods prescribed by the NPA.

The Company applied the Fair Value option to the NPA, see note 2(dd).

As of December 31, 2023, the required annual principal payments of NPA, starting from the year 2024, are as follows:

	December 31, 2023
2028 and thereafter	$ 19,750
Total	$ 19,750

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NOTE 16 — WARRANTS AND PHANTOM WARRANTS TO PURCHASE PREFERRED SHARES:

As of December 31, 2023 and December 31, 2022 the outstanding number of warrants and phantom warrants composed as follows:

	December 31, 2023	December 31, 2022	Note
Warrants to convertible preferred A-3	33,810	33,810	a
Warrants to convertible preferred C	28,049	28,049	a,b,c
Warrants to convertible preferred D	22,894	22,894	a,b
Warrants to convertible preferred D-1	1,079,809	1,052,287	e
Phantom warrants	173,757	173,757	d
Warrants to convertible preferred D5	225,943	—	f
Warrants to convertible preferred D6	90,374	—	f

a. During the years 2018 to 2021 the Company entered into several loan agreements with an Israeli bank, see Note 9(a). As part of the term of the agreements, the Company issued to the bank warrants to purchase 33,810 series A-3 preferred shares at an exercise price of $5.914 per share, warrants to purchase 4,180 series C preferred shares at an exercise price of $14.35 per share, and warrants to purchase 5,792 of the most senior class of shares, currently series D preferred shares, at an exercise price of $31.08 per share. The warrants' exercisable period ranges between 6 years to 8 years from the date of the loans.

In addition, under the terms of the warrants, the holder has the right to receive an alternative payment of $210 in lieu of shares in the event of an IPO or certain liquidity events, or if the holder is required under certain circumstances to exercise the warrants.

b. During 2020, the Company entered into CLAs with three lenders, see Note 15(a). The CLAs included a grant of warrants to purchase an aggregate of 23,777 series C preferred shares exercisable at $10.72 per share for a period commencing upon the repayment date of the CLAs and ending two years thereafter.

During January 2021, one of the lenders converted its CLA into series C preferred shares and its warrants to purchase 1,866 series C preferred shares expired according to its terms. As of December 31, 2023, there are outstanding warrants to purchase 21,911 series C preferred shares.

On July 1, 2022, the CLA and the accompanying warrants were further amended in order to extend the term of the underlying loan (the "CLA Amendment"). Under the CLA Amendment, the exercise period under the accompanying warrants was amended to a period commencing on the date of the CLA Amendment and ending on the earlier of (i) the second anniversary of the repayment of the loan or the conversion thereof in accordance with the terms of the CLA (whichever occurs first); and (ii) immediately prior to, and subject to the closing of, an IPO or a SPAC Transaction (as defined in the Articles). In connection with the CLA Amendment, the lenders received additional warrants to purchase 17,103 series D preferred shares of the Company, exercisable at a price per share equal to $31.08. The additional warrants are exercisable until the earlier of (i) the closing of an IPO or a SPAC Transaction (as defined in the Articles) or (ii) the 10th anniversary of the repayment of the loan or conversion thereof.

c. On February 12, 2020, the Company issued warrants to an institutional investor to purchase preferred shares in connection with the provision of a credit facility, that was not drawn down upon. The warrant is exercisable into 1,958 series C preferred shares at an exercise price of $15.32 per share until the earlier of (i) the closing of an IPO or change of control event or (ii) the sixth anniversary of the date of issuance.

d. As part of the Facility Agreement (see Note 9(c)), the credit funds also received a "phantom warrant", which entitles them to a cash payment (allocated proportionately among the Company (75%) and Vision (25%)) equal, in the aggregate, to the higher of (i) $3,000; or (ii) the difference between the price per share (PPS) of a series D preferred share in an "Exit Event" (based on the Company's valuation, as

NOTE 16 — WARRANTS AND PHANTOM WARRANTS TO PURCHASE PREFERRED SHARES: (cont.)

reflected in the terms of the Exit Event as defined below), and the Preferred D Shares PPS of $31.08, multiplied by 172,624 Series D Preferred Shares (or such number of ordinary shares into which such shares shall have been converted, on or prior to such Exit Event, in accordance with their terms). Notwithstanding the foregoing, if the Exit Event which triggers the payment under the phantom warrant is the transfer of less than 50% of the share capital of the Company, then the credit funds shall only be entitled to a portion of the phantom warrant payment; and the remaining portion shall be reserved and remain subject to the provisions of the "phantom warrant".

An "Exit Event" for this purpose is (a) transfer of 25% or more of the outstanding share capital of the Company; (b) any transaction, or a series of transactions, where the Company transfers all, or substantially all of its business, assets and operations to any person, other than a transfer to any corporation which is controlled by the Company; (c) any transaction, or a series of transactions which results in a change of control; (d) an IPO of the Company's shares or listing of Company shares for trade on any stock exchange or regulated market (including any merger with a SPAC).

If no Exit Event (or if only an Exit Event entitling for a partial payment under the "phantom warrant") occurs until December 30, 2025, the Credit Funds are entitled during a period ending on December 30, 2035, on demand, to a cash payment under the "phantom warrant" of $3,000 (or the remaining portion thereof).

If the Exit Event is an IPO or a transaction in which shareholders of the Company receive consideration in the form of shares of another entity, the credit funds are entitled to elect to receive the payment under the phantom warrant in listed shares of the Company or the shares of such other entity, in lieu of a cash payment (and as discharge of the "phantom warrant").

The Company accounted for the phantom warrant as a derivative liability, to be measured at fair value through profit or loss. Consideration received in excess of the fair value of the phantom warrant upon initial recognition was attributed to the Facility Loan.

Pursuant to the Waiver and Amendment Agreement (see Note 9(c)), upon the full repayment of the Facility Loans, each of the credit funds shall be entitled to demand payment in cash of up to 50% of its share in the phantom warrant, in an aggregate amount of $1.5 million, on account of the full amount that the credit funds shall be entitled to under the phantom warrants, as set forth above. (See note 22(d)).

e. In connection with the Series D SPA (see Note 14(e)), the Company issued warrants to purchase 1,052,287 Series D-1 preferred shares to various investors including 62,746 warrants that were issued as part of the $3,000 SAFE (see note 17). The warrants are exercisable for five years from their date of issuance. The warrants were issued with an exercise price equal to $34.19 per share.

The Company classified the warrants for the purchase of shares of its convertible Preferred Shares as a liability in its consolidated balance sheets as these warrants were freestanding financial instruments which underlying shares are contingently redeemable (upon a certain liquidation events) and, therefore, may obligate the Company to transfer assets at some point in the future. The warrant liability was initially recorded at fair value upon the date of issuance and was subsequently remeasured at fair value at each reporting date. The Company recorded revaluation expenses amounting to $619 and $451 for the years ended 2023 and 2022, respectively, and recorded as financial income (expense), net, in the Statement of Operations and Comprehensive Loss.

f. In connection with the NPA (see Note 15(c)), The Company granted non-voting warrants to Purchaser for the purchase of: (i) 686,401 Preferred D-5 Shares of the Company, representing 5% of the share capital of the Company on a fully diluted basis (as of the issuance thereof), with an exercise price equal to (a) if an IPO is completed on or prior to March 31, 2024, the price per share for each common share of the Company issued at the IPO; and otherwise, (b) the price of the shares underlying such warrant as implied by the latest 409A valuation of the Company or by a valuation of the shares of the

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NOTE 16 — WARRANTS AND PHANTOM WARRANTS TO PURCHASE PREFERRED SHARES: (cont.)

Company by an independent third party appraiser appointed by the Company, and (ii) 274,559 Preferred D-6 Shares of the Company, representing 2% of the share capital of the Company on a fully diluted basis (as of the issuance thereof), with an exercise price equal to (a) if an IPO is completed on or prior to March 31, 2024, the price per share for each common share of the Company issued at the IPO; and otherwise, (b) the price of the shares underlying such warrant as implied by the latest 409A valuation of the Company or by a valuation of the shares of the Company by an independent third party appraiser appointed by the Company, and in each case multiplied by 1.2. The warrant shares issuable under the Warrants shall vest and be exercisable in accordance with the proportionate portion that the aggregate principal amount of Notes issued under the NPA bears to $60.0 million.

g. In connection with the 2024 Note Purchase Agreement, the Company issued to the 2024 Note Purchasers warrants, for further details see Note 22(a).

NOTE 17 — SIMPLE AGREEMENTS FOR FUTURE EQUITY

During August 2021, a SAFE was entered into between the Company and several existing investors for a future issuance of series D preferred shares for a total amount of $3,000. In addition, the SAFE holders received all the rights of Series D Round investors including, inter alia, the issuance of warrants to purchase series D-1 preferred shares, see Note 16(e). The SAFE was converted into a total of 96,530 series D preferred shares in January 2022, see Note 14(d).

The Company classified the SAFEs as liabilities in its consolidated balance sheets in accordance with ASC 480-10. The SAFEs liabilities were initially recorded at fair value upon the date of issuance and were subsequently remeasured at fair value at each reporting date.

NOTE 18 — SHARE-BASED COMPENSATION:

In May 2016, the Board of Directors approved a new equity incentive plan (the "Plan"). During 2022 the Board of Directors approved an additional increase of the pool of 707,358 ordinary shares for grant to Company employees.

As of December 31, 2023, 394,247 shares remain available for grant under the Plan. The Company's option awards generally vest over a four-year period, with 25% of the options vesting on the first year anniversary of grant and the remaining options vesting over the remaining period every quarter, and have a maximum term of 10 years.

Options granted to employees and non-employees:

In the years ended December 31, 2023, and 2022, the Company granted options as follows:

	Year ended December 31, 2023			
	Award amount	**Exercise price**	**Vesting period**	**Expiration**
Employees	339,185	0.23 NIS	4 years	10 years
Subcontractors	4,997	0.23 NIS	4 years	10 years
Total granted	344,182			

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NOTE 18 — SHARE-BASED COMPENSATION: (cont.)

	Year ended December 31, 2022			
	Award amount	**Exercise price**	**Vesting period**	**Expiration**
Employees	103,020	0.23 NIS	4 years	10 years
Subcontractors	3,293	0.23 NIS	4 years	10 years
Total granted	106,313			

The fair value of options granted to employees, subcontractors and directors during 2023 and 2022 was $3,716 and $1,028, accordingly.

The fair value of each option granted is estimated using the Black-Scholes option pricing method. The volatility was calculated on a daily basis for a period equal to the expected term of each option and based on the 75th percentile of the observations from comparable companies.

The estimation of the risk-free interest rates was based on the zero-coupon yield of U.S. Treasury bonds for the expected term of each option. The Company's management uses the simplified method for as its expected life for employees, and the expected term of each option as its expected life for sub-contractors. The Company's historical share option exercise experience does not provide a reasonable basis for estimating the expected term. The expected term of the options granted represents the period of time that granted options are expected to remain outstanding.

The underlying data used for computing the fair value of the options (as of the grant date) are as follows:

	2023	**2022**
Employees		
Expected term (years) –	5.91 – 6.14	6.11
Expected volatility	40.98% – 42.14%	41.69% – 42.54%
Risk free interest rate	3.80% – 3.83%	1.85% – 4.36%
Expected dividend yield	0.00%	0.00%
Exercise price	0.06	0.06 – 0.07
Non-Employees		
Expected term (years) –	10.00	10.00
Expected volatility	42.09% – 42.17%	42.94%
Risk free interest rate	3.64% – 3.75%	1.89%
Expected dividend yield	0.00%	0.00%
Exercise price	0.06	0.07
Assumptions regarding the price of the underlying shares:		
Probability of an IPO	25%	25%
Expected time to IPO (years)	0.75	1.00
Probability of liquidation event	75%	75%
Expected time to liquidation (years)	2.0	1.5 – 2.0

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NOTE 18 — SHARE-BASED COMPENSATION: (cont.)

Summary of outstanding and exercisable options:

The following table summarizes the number of options outstanding for the years ended December 31, 2023 and December 31, 2022, and related information:

	Number of options	Weighted-average exercise price	Weighted-average remaining contractual term (in years)	Aggregate Intrinsic Value (in U.S. dollars)
Outstanding at December 31, 2022	1,008,927	$ 0.068	8.12	$ 9,601
Granted	344,182	$ 0.063	9.80	$ —
Exercised	(23,254)	$ 0.062	(7.10)	$ 224
Forfeited	(24,374)	$ 0.067	(8.91)	$ —
Expired	(5,006)	$ 0.070	—	$ —
Outstanding at December 31, 2023	1,300,475	$ 0.066	7.75	$ 14,109
Exercisable at December 31, 2023	818,625	$ 0.067	7.28	$ 8,881
Vested and expected to vest at December 31, 2023	1,300,475	$ 0.066	7.75	$ 14,109

	Number of options	Weighted-average exercise price	Weighted-average remaining contractual term (in years)	Aggregate Intrinsic Value (in U.S. dollars)
Outstanding at December 31, 2021	973,764	$ 0.067	8.37	$ 9,347
Granted	106,313	$ 0.070	9.84	$ —
Exercised	(18,174)	$ 0.068	(6.89)	$ 162
Forfeited	(48,546)	$ 0.069	(8.81)	$ —
Expired	(4,430)	$ —	—	$ —
Outstanding at December 31, 2022	1,008,927	$ 0.068	8.12	$ 9,601
Exercisable at December 31, 2022	550,708	$ 0.067	7.84	$ 5,241
Vested and expected to vest at December 31, 2022	1,008,927	$ 0.068	8.12	$ 9,601

The Company assumes that all outstanding options are expected to vest. The weighted average fair values at grant date of options granted for the years ended December 31, 2023 and 2022 were $47.41 and $42.47 per share, respectively.

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NOTE 18 — SHARE-BASED COMPENSATION: (cont.)

Summary of status of the Company's nonvested employee options:

The following table summarizes the number of options outstanding for the years ended December 31, 2023 and December 31, 2022, and related information:

	Number of options	Weighted-average grant-date fair value price
Outstanding at December 31, 2022	458,218	8.24
Granted	344,182	10.80
Vested	(296,176)	8.76
Forfeited	(24,374)	9.53
Outstanding at December 31, 2023	481,850	9.68
Outstanding at December 31, 2021	698,770	7.91
Granted	106,313	9.67
Vested	(298,319)	8.40
Forfeited	(48,546)	8.41
Outstanding at December 31, 2022	458,218	8.24

On December 31, 2023, there was $4,537 of total unrecognized compensation cost related to unvested stock options granted under the Plan. That cost is expected to be recognized over a weighted-average period of 2.10 years.

On December 31, 2022, there was $3,621 of total unrecognized compensation cost related to unvested stock options granted under the Plan. That cost is expected to be recognized over a weighted-average period of 2.28 years.

The Company currently uses authorized and unissued shares to satisfy share award exercises.

The share-based compensation expense by line item in the accompanying consolidated statements of operations is summarized as follows:

	Year ended December 31	
	2023	2022
Cost of sales	$ 139	$ 72
Research and development	240	165
General and administrative	1,964	1,327
Sales and marketing	224	114
	$ 2,567	$ 1,678

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NOTE 19 — INCOME TAX:

a. Corporate taxation in Israel

The Company is taxed according to the regular corporate income tax in Israel. The corporate tax rate is 23%.

b. Income taxes on non-Israeli subsidiaries

The Company's main subsidiaries incorporated in the U.S. in the state of Delaware, France, Germany and China (see Note 1) are assessed for tax purposes in accordance with the tax laws in the countries of their residence. In the year 2023, the Company's U.S. subsidiary is subject to combined federal and state income taxes of approximately 21%, the subsidiary in Germany is subject to combined corporation tax and trade tax of approximately 28%, Vision is subject to income and capital gains tax of 25%, and the subsidiary in China is subject to combined corporation tax and trade tax of approximately 25%.

c. Tax loss carryforwards

As of December 31, 2023, the expected tax loss carryforwards of the Company were approximately $85,689 which may be carried forward and offset against taxable income in the future for an indefinite period. Vision has tax loss carryforwards of 50,809, which may be carry forward indefinitely. The Company has recognized valuation allowance for the full amount in respect of these tax loss carryforwards since their utilization is not expected in the foreseeable future.

Israel and foreign components of income (loss) from continuing operations, before income taxes consisted of:

	Year ended December 31	
	2023	**2022**
Israel	$ (65,124)	$ (28,781)
Foreign	(13,960)	(9,078)
Total	$ (79,084)	$ (37,859)

The majority of the Company's income tax expenses arise from its foreign subsidiaries.

d. Uncertainty in income tax

The Company applies a more-likely-than-not recognition threshold to uncertain tax positions based on the technical merits of the income tax positions taken. The Company does not recognize a tax benefit unless it is more likely than not that the tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit that is recorded for these positions is measured at the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. As of December 31, 2023 and 2022, no liability for unrecognized tax benefits was recorded due to immateriality.

e. Tax rate reconciliation

Income tax expense attributable to income from continuing operations was 183 and 44 for the years ended on December 31, 2023 and 2022, respectively, and differed from the amounts computed by applying an Israeli Statutory income tax rate of 23%, to pretax income from continuing operations, mainly as a result of changes in valuation allowance of $9,577 and $6,477 respectively, as well as nondeductible expenses.

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NOTE 19 — INCOME TAX: (cont.)

	Year ended December 31	
	2023	**2022**
Loss before income taxes	$ (79,084)	$ (37,859)
Statutory tax rate	23%	23%
Computed "expected" tax income	(18,189)	(8,708)
Foreign tax rate differences and exchange rate differences	925	1,204
Non-deductible stock compensation and revaluation of financial assets	8,260	917
Effect of other non-deductible differences	(134)	(157)
Change in valuation allowance	9,577	6,477
Net Operating Loss True-up	—	512
Subsidiaries tax rate differences	(256)	(201)
Reported taxes on income	$ 183	$ 44

f. Deferred tax

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

	December 31	
	2023	**2022**
Deferred tax assets		
Operating loss carryforwards	$ 32,044	$ 23,328
Research and development	3,591	3,485
Accrued vacation and convalescence	220	189
Lease liability	507	603
Accrued expenses	224	150
Phantom warrants	643	638
Bonus	43	43
Credit loss allowance	76	67
Other	304	512
Total deferred tax assets	$ 37,652	$ 29,015
Deferred tax liabilities		
RFI Assets	(130)	(524)
Intangible assets	(4,904)	(5,442)
Facility agreement	(385)	(193)
Intercompany balance write-off	(1,103)	(1,063)
Right of use asset	(837)	(922)
Other	(229)	(384)
Total deferred tax liabilities	$ (7,588)	$ (8,528)
Valuation allowance	$ (30,064)	$ (20,487)
Deferred tax assets, net of valuation allowance	$ —	$ —

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NOTE 19 — INCOME TAX: (cont.)

g. Roll forward of valuation allowance:

The following table presents a reconciliation of the beginning and ending valuation allowance:

Balance as of December 31, 2021	$	(12,457)
Business combination		(1,553)
Additions		(6,477)
Balance as of December 31, 2022	$	(20,487)
Additions		(9,577)
Balance as of December 31, 2023	$	(30,064)

In assessing the realization of deferred tax assets, management considers whether it is more likely than not that all or some portion of the deferred tax assets will not be realized. The ultimate realization of the deferred tax assets is dependent upon the generation of future taxable income during the periods in which temporary differences are deductible and net operating losses are utilized. Based on these factors, the Company recorded a full valuation allowance on December 31, 2023 and 2022.

h. Tax assessments

The Company's tax assessments through 2018 are considered final. The U.S. subsidiaries have final tax assessments through 2019 respectively. Vision has final tax assessment through tax year 2021. The German and Chinese subsidiaries do not have final tax assessments.

During the second quarter of 2023, Vision has agreed with social and tax authorities in France, to defer the payment of social charges and VAT due between February to June 2023 at the amount of $3.69 million (€3.57 million) which will be paid in monthly installments starting October 2023 over 3 years.

NOTE 20 — NET LOSS PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS:

The following table sets forth the computation of basic and diluted net loss per share attributable to ordinary shareholders for the periods presented:

	Year ended December 31	
	2023	**2022**
Numerator:		
Net loss attributable to ordinary shareholders, basic and diluted	$ 79,267	$ 37,903
Denominator:		
Weighted-average shares used in computing net loss per share attributable to ordinary shareholders, basic and diluted	4,356,665	2,776,678
Net loss per share attributable to ordinary shareholders, basic and diluted	$ 18.19	$ 13.65

The above share information has been adjusted to reflect the share split as discussed in note 2ii.

The following instruments were not included in the computation of diluted earnings per share because of their anti-dilutive effect:

— Redeemable convertible preferred shares (see Note 14);

— Convertible loan agreements (see Note 15);

— Warrants to purchase convertible preferred shares (see Note 16);

— Simple agreements for future equity (see Note 17);

— Share-based compensation (see Note 18).

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NOTE 21 — TRANSACTIONS AND BALANCES WITH RELATED PARTIES:

Transactions with related parties which are shareholders and directors of the Company:

a. Transactions:

	Year ended December 31	
	2023	**2022**
Share-based compensation to non-executive directors	$ 56	$ 56

b. Balances:

	December 31	
	2023	**2022**
Long-term liabilities —		
CLA	$ 9,780	$ 567
Long-term debt measured under the fair value option	$ 21,976	$ —

c. During December 2014 and as amended in September 2017, February 2021 and September 2022 the Company entered into an exclusive joint product agreement (the "JPA"), with one of its current investors and a related party. According to the JPA (as amended), the investor had the exclusive right to manufacture for the Company products based on the PDLC technology that are retrofitted onto glass, worldwide (the "Retrofitted Products"), as well as an exclusive right to distribute and sell the Retrofitted Products to certain specific third parties and the exclusive right to manufacture and sell the wet application Retrofitted Products, worldwide. SPD film and PDLC film for embedded and laminated glass products were specifically excluded from the exclusivity right. In addition, the Company was not engaged with any other manufacturer to produce the Retrofitted Products and shall not sell or distribute the Retrofitted Products to certain specified third parties other than through or in cooperation with the investor. In September 2022, the cooperation agreement was terminated.

NOTE 22 — SUBSEQUENT EVENTS:

The Company's management has performed an evaluation of subsequent events through Aprill2, 2024, the date the financial statements were available to be issued except for the effect of the share split described in note 2ii, as to which the date is May 28, 2024.

a. In January 2024, the Company entered into a note purchase agreement, or the 2024 Note Purchase Agreement, with Vision Lite, as the issuer, Gauzy Ltd., Gauzy USA, Inc. and Gauzy GmbH, as the guarantors and OIC Growth Fund I, L.P., OIC Growth Fund I PV, L.P., OIC Growth Fund I AUS, L.P. and OIC Growth Fund I GPFA, L.P., as purchasers, or the 2024 Note Purchasers, and OIC Investment Agent, LLC as administrative agent and collateral agent.

Under the 2024 Note Purchase Agreement, the 2024 Note Purchasers extended financing to Vision Lite in the principal amount of $23.5 million, which was utilized and drawn down in full by way of issuance and sale of senior secured notes, or the 2024 Notes, by Vision Lite to the 2024 Note Purchasers. In connection with the closing of the 2024 Note Purchase Agreement, the Company repaid the amounts owed under the Facility Agreement, other than with respect to certain amounts under the "phantom warrant". In addition, in January 2024, the Company amended the 2024 Note Purchase Agreement, or the 2024 NPA Amendment, pursuant to which the 2024 Note Purchasers made available to the Company an additional commitment in the principal amount of up to $2.5 million that may be utilized and drawn down by way of issuance and sale of additional senior secured notes by Vision Lite to the 2024 Note Purchasers. As of April 2024, the $2.5 million additional commitment under the 2024 Note Purchase Agreement (as amended by the 2024 NPA Amendment) has been utilized by way of issuance and sale of additional 2024 Notes.

GAUZY LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(U.S. dollars in thousands, except share and per share amounts)

NOTE 22 — SUBSEQUENT EVENTS: (cont.)

In addition, under the 2024 Note Purchase Agreement, the 2024 Note Purchasers extended a commitment to purchase additional notes in an amount of up to $15.0 million (which commitment will be reduced on a dollar-for-dollar basis by any amounts invested by the 2024 Note Purchasers in our equity securities, including in an initial public offering, or the Second Tranche Notes). This commitment may be exercised following the consummation of an Eligible IPO, defined in the 2024 Note Purchase Agreement as an initial public offering that is completed within 12 months from the closing date of the 2024 Note Purchase Agreement, with gross proceeds of at least $60 million (excluding any shares as may be purchased by any 2024 Note Purchaser (or their affiliates) in such initial public offering). The Second Tranche Notes will be convertible at our discretion into our ordinary shares at a conversion price equal to (i) during the first 90 days after the closing of the Eligible IPO, the price per share in the Eligible IPO, and (ii) thereafter, the 30-day volume weighted average trading price of our ordinary shares. The Company will, subject to applicable law, provide the 2024 Note Purchasers notice prior to the expected pricing date of an Eligible IPO, and if an Eligible IPO does not occur within a prescribed period following such notice, then the 2024 Note Purchasers will be entitled to require that Vision Lite issue the Second Tranche Notes, and those notes will be repaid within three months after their issuance (or a later date approved by the 2024 Note Purchasers).

The 2024 Notes bear annual interest, payable quarterly, and are due on November 8, 2028, provided that 2024 Notes may be subject to partial prepayment following the date the annual financial statements of the Company are due to be delivered in accordance with the 2024 Note Purchase Agreement, in an amount equal to 25% of the excess cash flow calculated in accordance with the terms of the 2024 Note Purchase Agreement. Subject to certain conditions specified therein, the 2024 Notes may be voluntarily prepaid at any time.

Amounts owing under the 2024 Note Purchase Agreement, including the principal, interest and fees payable on any issued 2024 Notes, are secured by first-ranking liens on our and certain of our subsidiaries' assets.

In connection with the 2024 Note Purchase Agreement and 2024 NPA Amendment, the Company issued to the 2024 Note Purchasers warrants, or the 2024 Note Purchaser Warrants, to purchase up to 682,282 series D-5 preferred shares of the Company (and from and after this offering, such number of ordinary shares of the Company that the aforementioned number of Preferred D-5 Shares would have converted into upon the consummation of this offering if issued prior to this offering). Under certain circumstances upon the completion of this offering, the number of ordinary shares of the Company issuable under the 2024 Note Purchaser Warrants may be increased by up to 137,040 ordinary shares. The 2024 Note Purchaser Warrants are exercisable until November 8, 2028 at a price per share equal to: (a) the price per share issued in the initial underwritten public offering of the Company's shares, if completed on or prior to March 31, 2024, or otherwise, (b) the price of a Preferred D-5 share as determined by the latest 409A valuation of us completed between April 1, 2024 and June 30, 2024.

b. During February 2024, the Company paid $1.5 million of the phantom warrants in relation to the repayment of the Facility Loans (see note 16(d)).

c. In February 2024, certain members of the Company's executive management, including mainly the chief executive officer and chief technology officer, collectively sold in a privately negotiated transaction a number of ordinary shares representing less than 10% of their personal collective holdings to a number of the Company's existing shareholders for an aggregate purchase price of approximately $3 million. All of the shares purchased and sold in this transaction are restricted securities and are not being registered pursuant to the Company's prospectus and are subject to lock-up agreements with the underwriters of the Company's offering that restrict the holders' ability to transfer these shares for a period of 180 days from the date of the Company's prospectus.

GAUZY LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(U.S. dollars in thousands, except share and per share amounts)

NOTE 22 — SUBSEQUENT EVENTS: (cont.)

- **d.** On March 14, 2024 the Company paid $328 (€300) of the Earn-out liability. In March 2024 the Company further amended the Earn-Out Agreement, with one of the Sellers, such that the Company shall use its best efforts to pay the relevant portion of the Second Earn-Out totaling to $1.3 million (€1.15 million) by April 25, 2024, instead of $1.4 million (€1.3 million). In the event that the Company does not pay such an amount by April 25, 2024, the relevant portion of the Second Earn-Out payment shall increase to the original amount of $1.4 million (€1.3 million), see note 3(c).
- **e.** In relation to the 2023 CLA, an additional sum of $7.1 million was subscribed by the lenders to the Company during the first quarter of 2024, see note 15(b).
- **f.** During the first quarter of 2024 the Group withdrew an additional amount of $5.25 million under the NPA agreement, see note 15(c).

Events Subsequent to Original Issuance of Financial Statements (Unaudited)

In connection with the reissuance of the financial statements, the Company has evaluated subsequent events through May 29, 2024, the date the financial statements were available to be reissued.

- **a.** On May 28, 2024 the board of directors approved a forward share split (the "Share Split"), that was approved by the shareholders and became effective on May 28, 2024. See note 2ii.
- **b.** On April 2024, the Group signed an amendment to the 2024 NPA such that additional Notes issued and purchased by the purchasers totaling to 2.5 million. On April 5, 2024, the Group received an additional amount of $1.895 million under the 2024 NPA, net of withdraw fees and reimbursed costs.
- **c.** In April 2024 the Company further amended the Earn-Out Agreement, with one of the Sellers, such that the Company will pay the remaining portion of the Second Earn-Out totaling to $0.92 million (€0.85 million) within three business days following the consummation of Company's IPO or by June 15, 2024, whichever occurs first.
- **d.** In relation to the 2023 CLA, an additional sum of $6.2 million was subscribed by the lenders to the Company during the second quarter of 2024, see Note 8(b).
- **e.** In May 2024, the Company approved the granting options to purchase 554,330 ordinary shares to its employees and subcontractors at an exercise price of 0.23 NIS per share. The options vest over a four-year period, 25% of which vest on the first anniversary of the date of the grant, and the remaining amount vest over the following three years in equal parts at the end of each subsequent fiscal quarter, subject to continued employment or service with the Company at the time of vesting. The options expire 10 years from the date of grant.
- **f.** In May 2024, the Company's Board of Directors approved, subject to and following an IPO event, to distribute bonus payments to certain employees and consultants up to an amount of $537.5 and distribute bonus payments to certain officers up to $1,075, in each case subject to the price per share in an IPO event.
- **g.** During the second quarter of 2024, certain Preferred D Shares were converted to a total of 10,600 Ordinary Shares (adjusted to reflect the share split as discussed in note 2ii).
- **h.** During May 2024, majority of the Series D SPA preferred shareholders consent to waiver the preferred D conversion adjustment mechanism (see note 14(d)) with connection to an IPO.

4,166,667 Ordinary Shares

PROSPECTUS

Barclays

TD Cowen

Stifel

B. Riley Securities

Beech Hill Securities

, 2024

Through and including , 2024 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 6. Indemnification of Directors and Officers.

Under the Companies Law, a company may not exculpate an office holder from liability for a breach of the duty of loyalty. An Israeli company may exculpate an office holder in advance from liability, in whole or in part, for damages caused as a result of a breach of duty of care but only if a provision authorizing such exculpation is included in its articles of association.

An Israeli company may not exculpate a director from liability arising out of a prohibited dividend or other distribution to shareholders. An Israeli company may indemnify an office holder in respect of the following liabilities and expenses incurred for acts performed as an office holder, either in advance of an event or following an event, provided that a provision authorizing such indemnification is contained in its articles of association:

- a financial liability imposed on him or her in favor of another person pursuant to a judgment, including a settlement or arbitrator's award approved by a court. However, if an undertaking to indemnify an office holder with respect to such liability is provided in advance, then such an undertaking must be limited to events which, in the opinion of the board of directors, can be foreseen based on the company's activities when the undertaking to indemnify is given, and to an amount or according to criteria determined by the board of directors as reasonable under the circumstances, and such undertaking shall detail the abovementioned events and amount or criteria;
- reasonable litigation expenses, including legal fees, incurred by the office holder (1) as a result of an investigation or proceeding instituted against him or her by an authority authorized to conduct such investigation or proceeding, *provided* that (i) no indictment was filed against such office holder as a result of such investigation or proceeding; and (ii) no financial liability, such as a criminal penalty, was imposed upon him or her as a substitute for the criminal proceeding as a result of such investigation or proceeding or, if such financial liability was imposed, it was imposed with respect to an offense that does not require proof of criminal intent; and (2) in connection with a monetary sanction;
- reasonable litigation expenses, including legal fees, incurred by the office holder or imposed by a court in proceedings instituted against him or her by the company, on its behalf or by a third party or in connection with criminal proceedings in which the office holder was acquitted or as a result of a conviction for an offense that does not require proof of criminal intent; and
- expenses, including reasonable litigation expenses and legal fees, incurred by an office holder in relation to an administrative proceeding instituted against such office holder, or certain compensation payments made to an injured party imposed on an office holder by an administrative proceeding, pursuant to certain provisions of the Israeli Securities Law and Israeli Economic Competition Law.

An Israeli company may insure an office holder against the following liabilities incurred for acts performed as an office holder if and to the extent provided in the company's articles of association:

- a breach of the duty of loyalty to the company, to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the company;
- a breach of the duty of care to the company or to a third party, including a breach arising out of the negligent conduct of the office holder;
- financial liabilities imposed on the office holder in favor of a third party;
- financial liabilities imposed in an administrative proceeding on the office holder in favor of a third party harmed by a breach, pursuant to certain provisions of the Israeli Securities Law and the Competition Law; and
- expenses, including reasonable litigation expenses and legal fees, incurred by the office holder as a result of an administrative proceeding instituted against him or her, pursuant to certain provisions of the Israeli Securities Law and the Competition Law.

An Israeli company may not indemnify, insure or exculpate an office holder against any of the following:

- a breach of the duty of loyalty, except to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the company;

- a breach of the duty of care committed intentionally or recklessly, excluding a breach arising out of the negligent conduct of the office holder;
- an act or omission committed with intent to derive illegal personal benefit; or
- a fine, monetary sanction or forfeit levied against the office holder.

Under the Companies Law, exculpation, indemnification and insurance of office holders must be approved by the compensation committee and the board of directors (and, with respect to directors and the chief executive officer, by the shareholders). However, regulations promulgated under the Companies Law allow the insurance of office holders without shareholder approval and may be approved by only the compensation committee, if the engagement terms are determined in accordance with the company's stated compensation policy, which was approved by the shareholders by the same special majority required to approve a compensation policy, provided that the insurance policy is on market terms and is not likely to materially impact the company's profitability, assets or liabilities.

The Amended Articles allow us to exculpate, indemnify and insure our office holders for any act (including any omission) performed by virtue of being an office holder to the fullest extent permitted by law. Our office holders are currently covered by a directors and officers' liability insurance policy. We intend to purchase additional insurance coverage prior to the consummation of this offering.

We have entered into agreements with each of our directors and other office holders exculpating them in advance, to the fullest extent permitted by law, from liability to us for damages caused to us as a result of a breach of the duty of care, and undertaking to indemnify them to the fullest extent permitted by law.

There is no pending litigation or proceeding against any of our office holders as to which indemnification is being sought, nor are we aware of any pending or threatened litigation that may result in claims for indemnification by any office holder.

In the opinion of the SEC, indemnification of directors and office holders for liabilities arising under the Securities Act, however, is against public policy and therefore unenforceable.

Item 7. Recent Sales of Unregistered Securities.

During the past three years, we issued securities which were not registered under the Securities Act as set forth below. We believe that each of such issuances was exempt from registration under the Securities Act in reliance on Section 4(2), Rule 701 and/or Regulation S under the Securities Act. No underwriter or underwriting discount or commission was involved in any of the transactions set forth in Item 7.

The following is a summary of transactions during the preceding three fiscal years involving sales of our securities that were not registered under the Securities Act.

Preferred Equity Financings

From January 2022 through October 2023, we sold an aggregate of 1,661,245 of our series D preferred shares at a purchase price of $31.08 per share for an aggregate purchase price of approximately $51.6 million.

In January 2022, we issued 95,901 series D preferred shares and warrants to purchase 62,337 series D-1 preferred shares to the Series D Preferred SAFE Investors pursuant to the Series D Preferred Simple Agreement for Future Equity agreements entered into as part of the Series D Preferred SAFE Financing for aggregate consideration in the amount of approximately $3,000,000 paid in the form of conversion pursuant to the Series D Preferred SAFE Financing.

From January 2022 through October 2023, we issued warrants to purchase up to an aggregate of 702,743 of our series D-1 preferred shares to various investors in connection with the purchase of our series D preferred shares. The warrants were issued with an exercise price of $34.19 per share.

From August 2020 through December 2021, we issued warrants to purchase up to an aggregate of 45,740 of our most senior preferred shares existing as of a date determined pursuant to the terms thereof to lenders in connection with a number of loan agreements. The warrants were issued with exercise prices that range from $5.91 to $31.08 per share.

In July 2022, we entered into an amendment to the 2020 Convertible Loan Agreements whereby the two remaining CLA Lenders under such 2020 Convertible Loan Agreements agreed to further amend the 2020 Convertible Loan Agreements. In connection with the amendment, each lender received additional warrants to purchase an aggregate 17,102 of our series D preferred shares, exercisable at a price per share equal to $31.08. As of December 31, 2023, the remaining balance of the 2020 Convertible Loan Agreements (including the accrued interest) is convertible into 319,250 series C preferred shares.

In March 2023, we entered into the 2023 Convertible Loan Agreement with several lenders pursuant to which the lenders loaned us a sum of $38.9 million. The 2023 Convertible Loan Agreement was issued with warrants to purchase shares of the most senior class of our shares existing immediately prior to the exercise of such warrant and bear 12% annual interest, which shall be due and payable upon repayment or upon the conversion of the lender's loan amount into a number of shares, or the 2023 CLA Shares, upon the occurrence of the following events: (i) an IPO (as defined in the 2023 Convertible Loan Agreement), (ii) a Deemed Liquidation (as defined in the 2023 Convertible Loan Agreement), (iii) a Qualified Financing (as defined in the 2023 Convertible Loan Agreement), (iv) an optional conversion, including in the event of a repayment of the loan amount, at the lender's election or (v) at the lender's election if not earlier converted prior to the third anniversary of the disbursement date of the loan proceeds with respect to such lender. The 2023 CLA Shares shall be a newly created series of our preferred equity having such rights and privileges as our then most recently authorized series of preferred equity with the additional rights as set forth in the 2023 Convertible Loan Agreement. In March 2024, we entered into an amendment to the 2023 Convertible Loan Agreement pursuant to which the maximum loan amount was raised to $40,000,000 and the Board was given authority under certain circumstances to determine that certain lenders qualify as Significant Lenders and/or Overallotment Lenders (as such terms are defined in the 2023 Convertible Loan Agreement and the warrants issued thereunder).

In November 2023, we entered into a note purchase agreement, or the November 2023 Note Purchase Agreement with Vision Lite, as issuer, Gauzy Ltd., Gauzy USA Inc. and Gauzy GmbH, as the guarantors, and Chutzpah Holdings Ltd., or the November 2023 Note Purchaser, as purchaser, administrative agent and collateral agent. Under the November 2023 Note Purchase Agreement, the November 2023 Note Purchaser extended a credit facility to Vision Lite in an aggregate principal amount of $60.0 million that may be utilized and drawn down by way of issuance and sale of senior secured notes, or the November 2023 Notes, by any issuer to November 2023 Note Purchaser. In connection with the November 2023 Note Purchase Agreement, we issued (i) warrants to purchase up to 686,400 series D-5 preferred shares, or the November 2023 D-5 Warrants, and (ii) warrants to purchase up to 274,559 series D-6 preferred shares, or the November 2023 D-6 Warrants. The November 2023 D-5 Warrants are exercisable at a price per share, or the November 2023 D-5 Exercise Price, equal to: (a) the price per share issued in this offering, if this offering is completed on or prior to March 31, 2024; or otherwise, (b) the price of such share as implied by the latest 409A valuation of us or by a valuation of our shares by an independent third party appraiser appointed by us. The November 2023 D-6 Warrants are exercisable at a price per share equal to the November 2023 D-5 Exercise Price multiplied by 1.2.

In January 2024, we entered into a note purchase agreement, or the 2024 Note Purchase Agreement with Vision Lite, as issuer, Gauzy Ltd., Gauzy USA, Inc. and Gauzy GmbH, as the guarantors, and OIC Growth Fund I, L.P., OIC Growth Fund I PV, L.P., OIC Growth Fund I AUS, L.P. and OIC Growth Fund I GPFA, L.P., as purchasers, or the 2024 Note Purchasers, and OIC Investment Agent, LLC as administrative agent and collateral agent. Under the 2024 Note Purchase Agreement, the Note Purchasers extended financing to Vision Lite in the principal amount of $23.5 million, which was utilized and drawn down in full by way of issuance and sale of senior secured notes, or the 2024 Notes, by Vision Lite to the 2024 Note Purchasers. In addition, in January 2024, we amended the 2024 Note Purchase Agreement, or the 2024 NPA Amendment, pursuant to which the 2024 Note Purchasers made available to us an additional commitment in the principal amount of up to $2.5 million that may be utilized and drawn down by way of issuance and sale of additional senior secured notes by Vision Lite to the 2024 Note Purchasers. In April 2024, the $2.5 million additional commitment under the 2024 Note Purchase Agreement (as amended by the 2024 NPA Amendment) was utilized by way of issuance and sale of additional 2024 Notes. In connection with the 2024 Note Purchase Agreement and 2024 NPA Amendment, we issued to the 2024 Note Purchasers warrants, or the 2024 Note Purchaser Warrants, to purchase up to 682,282 series D-5 preferred shares, or the 2024 D-5 Warrants (and from and after this offering, such number of ordinary shares of the Company that the aforementioned number of preferred D-5 shares would have converted into upon the consummation of this offering if issued prior to this offering). Under certain circumstances upon the completion of this offering, the number of ordinary shares issuable under the 2024 D-5 Warrants may be increased by up to 31,210 ordinary shares. The 2024 D-5 Warrants are exercisable at a price per share equal to: (a) the price per share issued in the initial underwritten public offering, if completed on or prior to March 31, 2024; or otherwise, (b) the price of a preferred D-5 share as implied by the latest 409A valuation of us completed between April1, 2024 and June 30, 2024.

Incentive Compensation

Since January 1, 2021 and as of March 31, 2024, we have issued an aggregate of 43,685 ordinary shares pursuant to the exercise of share options by our employees, officers, directors and consultants.

Since January 1, 2021 and as of March 31, 2024, we have granted our directors, officers, employees and consultants options to purchase an aggregate of 1,294,586 ordinary shares, at a weighted average exercise price of 0.23 NIS per share, under our 2016 Share Award Plan. As of March 31, 2024, options to purchase 1,705,501 ordinary shares granted to our directors, officers, employees and consultants remain outstanding.

Item 8. Exhibits and Financial Statement Schedules.

(a) See the Exhibit Index.

(b) Financial Statement Schedules. All schedules have been omitted because they are not required, are not applicable or the information is otherwise set forth in our consolidated financial statements and the related notes thereto.

(c) Financial Statement Schedules. Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 9. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

1. For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

2. For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

EXHIBIT INDEX

Exhibit Number	Description
1.1*	Form of Underwriting Agreement by and among Gauzy Ltd. and the underwriters named therein.
3.1*	Amended and Restated Articles of Association of Gauzy Ltd., as currently in effect.
3.2*	Amended and Restated Articles of Association of Gauzy Ltd. to be in effect upon the closing of this offering.
4.1*	Form of Amended and Restated Investors' Rights Agreement, dated May 15, 2024, by and among Gauzy Ltd. and the investors named therein.
5.1*	Opinion of Gornitzky & Co., Israeli counsel to Gauzy Ltd., as to the validity of the ordinary shares.
10.1*	Form of Indemnification Agreement.
10.2*	Gauzy Ltd. 2016 Share Award Plan.
10.3*	Compensation Policy.
10.4*	Facility Agreement by and among Gauzy Ltd., the lenders named therein and Klirmark Capital 3 Ltd., dated as of January 19, 2022.
10.5*	Amendment to Facility Agreement by and among Gauzy Ltd. and Vision Lite, the lenders named therein and Klirmark Capital 3 Ltd., dated as of April 25, 2022.
10.6*	Waiver and Amendment to Facility Agreement by and among Gauzy Ltd. and Vision Lite, the lenders named therein and Klirmark Capital 3 Ltd., dated as of July 3, 2023.
10.7*	Waiver and Amendment to Facility Agreement by and among Gauzy Ltd. and Vision Lite, the lenders named therein and Klirmark Capital 3 Ltd., dated as of October 12, 2023.
10.8*	SPD Film, Emulsion and End-Product License Agreement between Research Frontiers Incorporated and Gauzy Ltd., dated September 30, 2017.
10.9*	Letter Agreement between Gauzy Ltd. and Research Frontiers Incorporated, dated September 7, 2018.

Exhibit Number	Description
10.10*	Form of Convertible Loan Agreement by and among Gauzy Ltd. and each of the lender parties thereto dated as of January 29, 2020.
10.11*	Amendment to Convertible Loan Agreement by and among Gauzy Ltd., Blue-Red Capital Fund LP, Ibex Israel Fund LLLP and Avery Dennison Israel Ltd. dated as of March 29, 2020.
10.12*	Amendment No. 2 to Convertible Loan Agreement by and among Gauzy Ltd., Blue-Red Capital Fund LP and Ibex Israel Fund LLLP dated as of October 17, 2021.
10.13*	Amendment No. 3 to Convertible Loan Agreement by and among Gauzy Ltd., Blue-Red Capital Fund LP and Ibex Israel Fund LLLP dated as of July 1, 2022.
10.14*	Amendment No. 4 to Convertible Loan Agreement by and among Gauzy Ltd., Blue-Red Capital Fund LP and Ibex Israel Fund LLLP dated as of July 31, 2023.
10.15*	Form of Convertible Loan Agreement by and among Gauzy Ltd. and each of the entities and/or persons listed on Exhibit A thereto dated as of March 31, 2023.
10.16*	Form of Warrant issued by Gauzy Ltd. to the lenders pursuant to Convertible Loan Agreement by and among Gauzy Ltd. and each of the entities and/or persons listed on Exhibit A thereto dated as of March 31, 2023.
10.17*	Note Purchase Agreement by and among Vision Lite SAS, the other note parties from time to time party thereto, the purchasers from time to time party thereto and Chutzpah Holdings, Ltd., dated November 8, 2023.
10.18*	Debenture made by Gauzy Ltd. in favor of Chutzpah Holdings, Ltd., dated November 8, 2023.
10.19*	D-5 Warrant issued by Gauzy Ltd. to Chutzpah Holdings, Ltd., dated November 8, 2023.
10.20*	D-6 Warrant issued by Gauzy Ltd. to Chutzpah Holdings, Ltd., dated November 8, 2023.
10.21*	Amendment to Warrant to Purchase Preferred Shares, dated December 31, 2023, by and between Chutzpah Holdings, Ltd. and Gauzy Ltd.
10.22*	Patent Assignment and Know-How Disclosure Agreement by and between Resonac Corporation and Gauzy Ltd. dated as of February 28, 2023.
10.23*	Note Purchase Agreement by and among Vision Lite SAS, the other note parties from time to time party thereto, the purchasers from time to time party thereto and OIC Investment Agent, LLC, dated January 9, 2024.
10.24*	Form of D-5 Warrant issued by Gauzy Ltd. to each of OIC Growth Fund I, L.P., OIC Growth Fund I PV, L.P., OIC Growth Fund I AUS, L.P. and OIC Growth Fund I GPFA, L.P., dated January 29, 2024.
10.25*	Share Purchase Agreement, dated February 7, 2021, by and among Gauzy Ltd., Vision Lite. Refuge, Fonds Nouvel Investissment 2 and Mr. Carl Putnam
10.26*	Amendment to Share Purchase Agreement, dated July 27, 2021, by and among Gauzy Ltd., Vision Lite. Refuge, Fonds Nouvel Investissment 2 and Mr. Carl Putnam
10.27*	Amendment No. 2 to Share Purchase Agreement, dated January 16, 2022, by and among Gauzy Ltd., Vision Lite. Refuge, Fonds Nouvel Investissment 2 and Mr. Carl Putnam
10.28*	Settlement Agreement, dated June 29, 2023, by and among Gauzy Ltd., Vision Lite, Ponton and Mr. Carl Putnam
10.29*	Amendment to Settlement Agreement, dated December 19, 2023, by and among Gauzy Ltd., Vision Lite, Ponton and Mr. Carl Putnam
10.30*	Second Amendment to Settlement Agreement, dated March 19, 2024, by and among Gauzy Ltd., Vision Lite, Ponton and Mr. Carl Putnam
10.31*	Amendment No. 1 to Note Purchase Agreement, dated January 29, 2024, by and among Gauzy Ltd., Vision Lite SAS, the guarantors identified on the signature pages thereto, the purchasers identified on the signature pages thereto and OIC Investment Agent, LLC
10.32*	Amendment to Warrant to Purchase Preferred Shares, dated April 5, 2024, by and between Gauzy Ltd. and OIC Growth Gauzy Holdings, LLC
10.33*	Form of First Amendment to Convertible Loan Agreement by and among Gauzy Ltd. and each of the entities and/or persons listed on Exhibit A thereto dated as of March 7, 2024
10.34*	Form of Amendment No. 1 to Note Purchase Agreement by and among Gauzy Ltd., Vision Lite SAS, the other Guarantors identified on the signature pages hereof, and Chutzpah Holdings Ltd. dated May 28, 2024
21.1*	List of subsidiaries.
23.1*	Consent of Kesselman & Kesselman, Certified Public Accountants (Isr.), a member firm of PricewaterhouseCoopers International Limited, independent registered public accounting firm.
23.2*	Consent of Gornitzky & Co. (included in Exhibit 5.1).
24.1**	Power of Attorney (included in signature pages of Registration Statement).
99.1**	Consent of Frost and Sullivan.
107*	Filing Fee Table.

* Filed herewith.
** Previously filed.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing this Form F-1 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Tel Aviv, Israel on this 29th day of May, 2024.

GAUZY LTD.

By: /s/ Eyal Peso
Eyal Peso, Chief Executive Officer

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Eyal Peso Eyal Peso	Chief Executive Officer and Chairman (Principal Executive Officer)	May 29, 2024
/s/ Meir Peleg Meir Peleg	Chief Financial Officer (Principal Financial and Accounting Officer)	May 29, 2024
* Michael Donnelly	Director	May 29, 2024
* Gal Gitter	Director	May 29, 2024
* Alexander Babitsky	Director	May 29, 2024
* Danny Allouche	Director	May 29, 2024
* Ezriel Jesse Klein	Director	May 29, 2024

* /s/ Eyal Peso
Eyal Peso
Attorney in Fact

SIGNATURE OF AUTHORIZED REPRESENTATIVE IN THE UNITED STATES

Pursuant to the requirements of the Securities Act of 1933, as amended, the undersigned, the duly authorized representative in the United States of Gauzy Ltd., has signed this Registration Statement on this 29th day of May, 2024.

Gauzy USA, Inc.

Authorized U.S. Representative

/s/ Eyal Peso

Name: Eyal Peso

Title: Chief Executive Officer

Exhibit 1.1

GAUZY LTD.

(a company organized under the laws of the State of Israel)

[●] Ordinary Shares

UNDERWRITING AGREEMENT

Dated: [●] , 2024

GAUZY LTD.

(a company organized under the laws of the State of Israel)

[●] Ordinary Shares

UNDERWRITING AGREEMENT

[●], 2024

Barclays Capital Inc.

as Representative of the several Underwriters

c/o Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019

Ladies and Gentlemen:

Gauzy Ltd., a company organized under the laws of the State of Israel (the "Company"), confirms its agreement with Barclays Capital Inc. ("Barclays"), Cowen and Company, LLC ("Cowen"), Stifel, Nicolaus & Company, Incorporated ("Stifel") and each of the other Underwriters named in Schedule A hereto (collectively, the "Underwriters," which term shall also include any underwriter substituted as hereinafter provided in Section 10 hereof), for whom Barclays is acting as representative (in such capacity, the "Representative"), with respect to (i) the sale by the Company and the purchase by the Underwriters, acting severally and not jointly, of the respective numbers of ordinary shares, par value NIS 1.00 per share, of the Company ("Ordinary Shares") set forth in Schedule A hereto and (ii) the grant by the Company to the Underwriters, acting severally and not jointly, of the option described in Section 2(b) hereof to purchase all or any part of [●] additional Ordinary Shares. The aforementioned [●] Ordinary Shares (the "Initial Securities") to be purchased by the Underwriters and all or any part of the [●] Ordinary Shares subject to the option described in Section 2(b) hereof (the "Option Securities") are herein called, collectively, the "Securities."

The Company understands that the Underwriters propose to make a public offering of the Securities as soon as the Representative deems advisable after this Agreement has been executed and delivered.

The Company has filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form F-1 (No. 333-[●]), including the related preliminary prospectus or prospectuses, covering the registration of the sale of the Securities under the Securities Act of 1933, as amended (the "1933 Act"). Promptly after execution and delivery of this Agreement, the Company will prepare and file a prospectus in accordance with the provisions of Rule 430A ("Rule 430A") of the rules and regulations of the Commission under the 1933 Act (the "1933 Act Regulations") and Rule 424(b) ("Rule 424(b)") of the 1933 Act Regulations. The information included in such prospectus that was omitted from such registration statement at the time it became effective but that is deemed to be part of such registration statement at the time it became effective pursuant to Rule 430A(b) is herein called the "Rule 430A Information." Such registration statement, including the amendments thereto, the exhibits thereto and any schedules thereto, at the time it became effective, and including the Rule 430A Information, is herein called the "Registration Statement." Any registration statement filed pursuant to Rule 462(b) of the 1933 Act Regulations is herein called the "Rule 462(b) Registration Statement" and, after such filing, the term "Registration Statement" shall include the Rule 462(b) Registration Statement. Each prospectus used prior to the effectiveness of the Registration Statement, and each prospectus that omitted the Rule 430A Information that was used after such effectiveness and prior to the execution and delivery of this Agreement, is herein called a "preliminary prospectus." The final prospectus, in the form first furnished to the Underwriters for use in connection with the offering of the Securities, is herein called the "Prospectus." For purposes of this Agreement, all references to the Registration Statement, any preliminary prospectus, the Prospectus or any amendment or supplement to any of the foregoing shall be deemed to include the copy filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval system or any successor system ("EDGAR").

As used in this Agreement:

"Applicable Time" means [●] P.M., New York City time, on [●], 2024 or such other time as agreed by the Company and the Representative.

"General Disclosure Package" means any Issuer General Use Free Writing Prospectuses issued at or prior to the Applicable Time, the most recent preliminary prospectus that is distributed to investors prior to the Applicable Time and the information included on Schedule B-1 hereto, all considered together.

"Issuer Free Writing Prospectus" means any "issuer free writing prospectus," as defined in Rule 433 of the 1933 Act Regulations ("Rule 433"), including without limitation any "free writing prospectus" (as defined in Rule 405 of the 1933 Act Regulations ("Rule 405")) relating to the Securities that is (i) required to be filed with the Commission by the Company, (ii) a "road show that is a written communication" within the meaning of Rule 433(d)(8)(i), whether or not required to be filed with the Commission, or (iii) exempt from filing with the Commission pursuant to Rule 433(d)(5)(i) because it contains a description of the Securities or of the offering that does not reflect the final terms, in each case in the form filed or required to be filed with the Commission or, if not required to be filed, in the form retained in the Company's records pursuant to Rule 433(g).

"Issuer General Use Free Writing Prospectus" means any Issuer Free Writing Prospectus that is intended for general distribution to prospective investors (other than a "*bona fide* electronic road show," as defined in Rule 433 (the "Bona Fide Electronic Road Show")), as evidenced by its being specified in Schedule B-2 hereto.

"Issuer Limited Use Free Writing Prospectus" means any Issuer Free Writing Prospectus that is not an Issuer General Use Free Writing Prospectus.

"Testing-the-Waters Communication" means any oral or written communication with potential investors undertaken in reliance on Section 5(d) of, or Rule 163B under the 1933 Act.

"Written Testing-the-Waters Communication" means any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the 1933 Act.

SECTION 1 Representations and Warranties.

(a) *Representations and Warranties by the Company.* The Company represents and warrants to each Underwriter as of the date hereof, the Applicable Time, the Closing Time (as defined below) and any Date of Delivery (as defined below), and agrees with each Underwriter, as follows:

(i) Registration Statement and Prospectuses. Each of the Registration Statement and any amendment thereto has become effective under the 1933 Act. No stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto has been issued under the 1933 Act, no order preventing or suspending the use of any preliminary prospectus or the Prospectus has been issued and no proceedings for any of those purposes have been instituted or are pending or, to the Company's knowledge, contemplated. The Company has complied with each request (if any) from the Commission for additional information.

Each of the Registration Statement and any post-effective amendment thereto, at the time it became effective, the Applicable Time, the Closing Time and any Date of Delivery complied and will comply in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations. Each preliminary prospectus, the Prospectus and any amendment or supplement thereto, at the time each was filed with the Commission, and, in each case, at the Applicable Time, the Closing Time and any Date of Delivery complied and will comply in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations. Each preliminary prospectus delivered to the Underwriters for use in connection with this offering and the Prospectus was or will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(ii) Accurate Disclosure. Neither the Registration Statement nor any amendment thereto, at its effective time, on the date hereof, at the Closing Time or at any Date of Delivery, contained, contains or will contain an untrue statement of a material fact or omitted, omits or will omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. At the Applicable Time and any Date of Delivery, none of (A) the General Disclosure Package, (B) any individual Issuer Limited Use Free Writing Prospectus, when considered together with the General Disclosure Package and (C) any individual Written Testing-the-Waters Communication, when considered together with the General Disclosure Package, included, includes or will include an untrue statement of a material fact or omitted, omits or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. Neither the Prospectus nor any amendment or supplement thereto, as of its issue date, at the time of any filing with the Commission pursuant to Rule 424(b), at the Closing Time or at any Date of Delivery, included, includes or will include an untrue statement of a material fact or omitted, omits or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The representations and warranties in this subsection shall not apply to statements in or omissions from the Registration Statement (or any amendment thereto), the General Disclosure Package or the Prospectus (or any amendment or supplement thereto) made in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representative expressly for use therein. For purposes of this Agreement, the only information so furnished shall be the information in the first paragraph under the heading "Underwriting–Commissions and Discounts," the information in the second, third and fourth paragraphs under the heading "Underwriting–Price Stabilization, Short Positions and Penalty Bids" and the information under the heading "Underwriting–Electronic Distribution of Shares" in each case contained in the Prospectus (collectively, the "Underwriter Information").

(iii) Issuer Free Writing Prospectuses. No Issuer Free Writing Prospectus conflicts or will conflict with the information contained in the Registration Statement or the Prospectus, and any preliminary or other prospectus deemed to be a part thereof that has not been superseded or modified. The Company has made available a Bona Fide Electronic Road Show in compliance with Rule 433(d)(8)(ii) such that no filing of any "road show" (as defined in Rule 433(h)) is required in connection with the offering of the Securities.

(iv) Testing-the-Waters Materials. The Company and its officers and directors (A) have not alone engaged in any Testing-the-Waters Communication other than Testing-the-Waters Communications with the consent of the Representative with entities that are qualified institutional buyers within the meaning of Rule 144A under the 1933 Act or institutions that are accredited investors within the meaning of Rule 501 under the 1933 Act and (B) have not authorized anyone other than the Representative to engage in Testing-the-Waters Communications. The Company reconfirms that the Representative has been authorized to act on its behalf in undertaking Testing-the-Waters Communications specifically authorized by the Company. The Company has not distributed any Written Testing-the-Waters Communications other than those listed on Schedule D hereto.

(v) Company Not Ineligible Issuer. At the time of filing the Registration Statement and any post-effective amendment thereto, at the earliest time thereafter that the Company or another offering participant made a *bona fide* offer (within the meaning of Rule 164(h)(2) of the 1933 Act Regulations) of the Securities and at the date hereof, the Company was not and is not an "ineligible issuer," as defined in Rule 405, without taking account of any determination by the Commission pursuant to Rule 405 that it is not necessary that the Company be considered an ineligible issuer.

(vi) Solicitation in Israel. Neither the Company nor any subsidiary of the Company has engaged in any form of solicitation, advertising or any other action constituting an offer to the public under the Israeli Securities Law, 5728-1968, as amended, and the rules and regulations promulgated thereunder (the "Israeli Securities Law") in connection with the transactions contemplated hereby which would require the Company to publish a prospectus in the State of Israel under the laws of the State of Israel.

(vii) Emerging Growth Company Status. From the time of the initial confidential submission of the Registration Statement to the Commission (or, if earlier, the first date on which the Company engaged directly or through any Person authorized to act on its behalf in any Testing-the-Waters Communication) through the date hereof, the Company has been and is an "emerging growth company," as defined in Section 2(a) of the 1933 Act (an "Emerging Growth Company").

(viii) Independent Accountants. The accountants who certified the financial statements included in the Registration Statement, the General Disclosure Package and the Prospectus are independent public accountants as required by the 1933 Act, the 1933 Act Regulations and the Public Company Accounting Oversight Board.

(ix) Financial Statements; Non-GAAP Financial Measures. The financial statements included in the Registration Statement, the General Disclosure Package and the Prospectus, together with the related schedules and notes, present fairly in all material respects the financial position of the Company and its consolidated subsidiaries at the dates indicated and the statement of operations, shareholders' equity and cash flows of the Company and its consolidated subsidiaries for the periods specified; said financial statements have been prepared in conformity with generally accepted accounting principles in the United States ("U.S. GAAP") as issued by the International Accounting Standards Board applied on a consistent basis throughout the periods involved. The supporting schedules, if any, present fairly in all material respects accordance with U.S. GAAP the information required to be stated therein. The summary financial information included in the Registration Statement, the General Disclosure Package and the Prospectus present fairly in all material respects the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included therein. Except as included therein, no historical or supporting schedules are required to be included in the Registration Statement, the General Disclosure Package or the Prospectus under the 1933 Act or the 1933 Act Regulations. All disclosures contained in the Registration Statement, the General Disclosure Package or the Prospectus regarding "non-GAAP financial measures" (as such term is defined by the rules and regulations of the Commission) comply with Regulation G of the Securities Exchange Act of 1934, as amended (the "1934 Act") and Item 10 of Regulation S-K of the 1933 Act, to the extent applicable.

(x) No Material Adverse Change in Business. Except as otherwise stated therein, since the respective dates as of which information is given in the Registration Statement, the General Disclosure Package or the Prospectus, (A) there has been no material adverse change in the condition, financial or otherwise, or in the results of operations, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business (a "Material Adverse Effect"), (B) there have been no transactions entered into by the Company or any of its subsidiaries, other than those in the ordinary course of business, which are material with respect to the Company and its subsidiaries considered as one enterprise, and (C) there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its share capital.

(xi) Good Standing of the Company. The Company has been duly organized and is validly existing under the laws of the State of Israel and has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement, the General Disclosure Package and the Prospectus and to enter into and perform its obligations under this Agreement; and the Company is duly qualified as a foreign corporation to transact business and is in good standing (to the extent this concept applies) or other equivalent local law status (if any), as applicable, in each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect. The Company is not currently designated as a "breaching company" (within the meaning of the Israeli Companies Law, 5759-1999) by the Registrar of Companies of the State of Israel, nor has a proceeding been instituted by the Registrar of Companies in Israel for the dissolution of the Company.

(xii) Good Standing of Subsidiaries. Each "significant subsidiary" of the Company (as such term is defined in Rule 1-02 of Regulation S-X) (each, a "Subsidiary" and, collectively, the "Subsidiaries") has been duly organized and is validly existing in good standing (to the extent this concept applies) or other equivalent local law status (if any), as applicable, under the laws of the jurisdiction of its incorporation or organization, has corporate or similar power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement, the General Disclosure Package and the Prospectus and is duly qualified to transact business and is in good standing (to the extent this concept applies) or other equivalent local law status (if any), as applicable, in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to so qualify or to be in good standing, or other equivalent local law status (if any), as applicable, would not result in a Material Adverse Effect. Except as otherwise disclosed in the Registration Statement, the General Disclosure Package and the Prospectus, all of the issued and outstanding share capital of each Subsidiary has been duly authorized and validly issued, is fully paid and non-assessable and is owned by the Company, directly or through subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity. None of the outstanding share capital of any Subsidiary were issued in violation of the preemptive or similar rights of any securityholder of such Subsidiary. The only subsidiaries of the Company are the subsidiaries listed on Exhibit 21 to the Registration Statement.

(xiii) Capitalization. The authorized, issued and outstanding share capital of the Company are as set forth in the Registration Statement, the General Disclosure Package and the Prospectus in the column entitled "Actual" under the caption "Capitalization" (except for subsequent issuances, if any, pursuant to this Agreement, pursuant to reservations, agreements or employee benefit plans referred to in the Registration Statement, the General Disclosure Package and the Prospectus or pursuant to the exercise or conversion of convertible securities or options referred to in the Registration Statement, the General Disclosure Package and the Prospectus). The outstanding share capital of the Company have been duly authorized and validly issued and are fully paid and non-assessable. None of the outstanding share capital of the Company were issued in violation of the preemptive or other similar rights of any securityholder of the Company or of the Israeli Securities Law.

(xiv) Authorization of Agreement. This Agreement has been duly authorized, executed and delivered by the Company.

(xv) Authorization and Description of Securities. The Ordinary Shares conform in all material respects to all statements relating thereto contained in the Registration Statement, the General Disclosure Package and the Prospectus and such description conforms in all material respects to the rights set forth in the instruments defining the same. No holder of Securities will be subject to personal liability solely by reason of being such a holder.

(xvi) Registration Rights. There are no persons with registration rights or other similar rights to have any securities registered for sale pursuant to the Registration Statement or otherwise registered for sale or sold by the Company under the 1933 Act pursuant to this Agreement, other than those rights that have been disclosed in the Registration Statement, the General Disclosure Package and the Prospectus and/or have been waived.

(xvii) Absence of Violations, Defaults and Conflicts. Neither the Company nor any of its subsidiaries is (A) in violation of its articles of association, charter, by-laws or similar organizational document, (B) in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which it or any of them may be bound or to which any of the properties or assets of the Company or any subsidiary is subject (collectively, "Agreements and Instruments"), except for such defaults that would not, singly or in the aggregate, result in a Material Adverse Effect, or (C) in violation of any law, statute, rule, regulation, judgment, order, writ or decree of any arbitrator, court, governmental body, regulatory body, administrative agency or other authority, body or agency having jurisdiction over the Company or any of its subsidiaries or any of their respective properties, assets or operations (each, a "Governmental Entity"), except for such violations that would not, singly or in the aggregate, result in a Material Adverse Effect. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated herein and in the Registration Statement, the General Disclosure Package and the Prospectus (including the issuance and sale of the Securities and the use of the proceeds from the sale of the Securities as described therein under the caption "Use of Proceeds") and compliance by the Company with its obligations hereunder have been duly authorized by all necessary corporate action and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or Repayment Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any properties or assets of the Company or any subsidiary pursuant to, the Agreements and Instruments (except for such conflicts, breaches, defaults or Repayment Events or liens, charges or encumbrances that would not, singly or in the aggregate, result in a Material Adverse Effect), nor will such action result in any violation of (x) the provisions of the articles of association, charter, by-laws or similar organizational document of the Company any of its subsidiaries or (y) or any law, statute, rule, regulation, judgment, order, writ or decree of any Governmental Entity. As used herein, a "Repayment Event" means any event or condition which gives the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any of its subsidiaries.

(xviii) Absence of Labor Dispute. No labor dispute with the employees of the Company or any of its subsidiaries exists or, to the knowledge of the Company, is imminent, and the Company is not aware of any existing or imminent labor disturbance by the employees of any of its or any subsidiary's principal suppliers, manufacturers, customers or contractors, which, in either case, would result reasonably be expected to result in a Material Adverse Effect.

Without limiting the generality of the foregoing, the Company and its subsidiaries are in compliance in all material respects with the labor and employment laws and collective bargaining agreements and extension orders applicable to their employees, whether employed directly or indirectly and including non-Israeli employees, in the State of Israel, except where the failure to be in compliance would not, singly or in the aggregate, reasonably be expected to result in a Material Adverse Effect. With respect to each Plan subject to Title IV of ERISA (A) no "reportable event" (within the meaning of Section 4043(c) of ERISA, other than events with respect to which the 30-day notice requirement under Section 4043 of ERISA have been waived by the United States Department of Labor) has occurred or is reasonably expected to occur, (B) no "accumulated funding deficiency" (within the meaning of Section 302 of ERISA or Section 412 of the Code), whether or not waived, has occurred or is reasonably expected to occur, and (C) neither the Company or any member of its Controlled Group has incurred, or reasonably expects to incur, any liability under Title IV of ERISA (other than contributions to the Plan or premiums to the PBGC in the ordinary course and without default) in respect of a Plan (including a "multiemployer plan", within the meaning of Section 4001(c)(3) of ERISA ("Multiemployer Plan")). Except as would not reasonably be expected to result in a Material Adverse Effect, (1) each "employee benefit plan" (within the meaning of Section 3(3) of the Employee Retirement Security Act of 1974, as amended ("ERISA")) for which the Company or any member of its "Controlled Group" (defined as any organization, whether or not incorporated, that is under common control with the Company within the meaning of Section 4001(a)(14) of ERISA or which is a member of a controlled group of corporations within the meaning of Section 414 of the Internal Revenue Code of 1986, as amended (the "Code")) would have any liability (each a "Plan") has been maintained, operated, administered and funded in compliance with its terms and with the requirements of all applicable statutes, rules and regulations including ERISA, the Code and the governing terms of any Plan (as amended from time to time); (2) each Plan maintained by the Company that is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter or is comprised of a master prototype plan that has received an opinion letter from the Internal Revenue Service covering all tax law changes prior to the Economic Growth and Tax Relief Reconciliation Act of 2001 (or has submitted, or is within the remedial amendment period for submitting, an application for a determination letter and is awaiting a response from the Internal Revenue Service), and, to the knowledge of the Company, no event has occurred and no condition exists that would result in the revocation or failure to issue any such determination letter or opinion letter; (3) no prohibited transaction, within the meaning of Section 406 of ERISA or Section 4975 of the Code, has occurred with respect to any Plan excluding transactions effected pursuant to a statutory or administrative exemption; (4) no Plan is, or is reasonably expected to be, in "at risk status" (within the meaning of Section 303(i) of ERISA), and no Multiemployer Plan for which any Company or the Controlled Group has or could have any liability, direct or indirect, contingent or otherwise, is or is reasonably expected to be, in "endangered status" or "critical status" (within the meaning of Section 305 of ERISA); and (5) the fair market value of the assets of each Plan exceeds the present value of all benefits accrued under such Plan (determined based on those assumptions used to fund such Plan).

Neither the Company nor any subsidiary of the Company is in violation of or has received notice of any violation with respect to any Israeli, federal or state law relating to discrimination in the hiring, promotion or pay of employees, nor any applicable federal or state wage and hour laws, nor any state law precluding the denial of credit due to the neighborhood in which a property is situated, the violation of any of which would reasonably be expected to have a Material Adverse Effect.

All obligations of the Company to provide statutory severance pay to all its currently engaged employees in Israel ("Israeli Employees") are, with certain exceptions as are not material, in accordance with Section 14 of the Israeli Severance Pay Law, 5723-1963 (the "Severance Pay Law") and are fully funded or, if not required to be funded, are fully accrued on the Company's financial statements, and all such Israeli Employees have been subject to the provisions of Section 14 of the Severance Pay Law with respect to their entire salary, as defined under the Severance Pay Law, from the date of commencement of their employment with the Company, and the Company has been, with such exceptions as are not material, in compliance with the requirements for a Section 14 arrangement with respect to severance pay with respect to 100% of such salary for which severance pay is due under the Severance Pay Law; and all amounts that the Company is required by contract or applicable law either (A) to deduct from Israeli Employees' salaries or to transfer to such Israeli Employees' pension or provident, life insurance, incapacity insurance, advance study fund or other similar funds or insurance or (B) to withhold from their Israeli Employees' salaries and benefits and to pay to any Israeli governmental authority as required by applicable Israeli tax law, have, in each case, been duly deducted, transferred, withheld and paid, and the Company has no outstanding obligation to make any such deduction, transfer, withholding or payment.

(xix) Absence of Proceedings. Except as disclosed in the Registration Statement, the General Disclosure Package and the Prospectus, there is no action, suit, proceeding, inquiry or investigation before or brought by any Governmental Entity now pending or, to the knowledge of the Company, threatened, against or affecting the Company or any of its subsidiaries, which if determined adversely to the Company or any of its subsidiaries would reasonably be expected to result in a Material Adverse Effect, or which would reasonably be expected to materially and adversely affect their respective properties or assets or the consummation of the transactions contemplated in this Agreement by the Company or the performance by the Company of its obligations hereunder; and the aggregate of all pending legal or governmental proceedings (or legal or governmental proceedings based on claims, facts or circumstances similar to those set forth in such pending proceedings) to which the Company or any such subsidiary is a party or of which any of their respective properties or assets is the subject which are not described in the Registration Statement, the General Disclosure Package and the Prospectus, including ordinary routine litigation incidental to the business, could not reasonably be expected to result in a Material Adverse Effect.

(xx) Accuracy of Exhibits. There are no contracts or documents which are required under the 1933 Act or 1933 Act Regulations to be described in the Registration Statement, the General Disclosure Package or the Prospectus or to be filed as exhibits to the Registration Statement which have not been so described and filed as required.

(xxi) Absence of Further Requirements. Except as disclosed in the Registration Statement, the General Disclosure Package and the Prospectus, no filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any Governmental Entity or any third party is necessary or required for the performance by the Company of its obligations hereunder, in connection with the offering, issuance or sale of the Securities hereunder or the consummation of the transactions contemplated by this Agreement, except such as have been already obtained or as may be required under the 1933 Act, the 1933 Act Regulations, the rules of the Nasdaq Global Market, state securities laws or the rules of FINRA and the filing of certain information with the Registrar of Companies in the State of Israel, the Israel Innovation Authority and the Bank of Israel following the Closing Time, regarding the issue and transfer of the Ordinary Shares.

(xxii) Possession of Licenses and Permits. The Company and its subsidiaries possess such permits, licenses, approvals, consents and other authorizations (collectively, "Governmental Licenses") issued by the appropriate Governmental Entities necessary to conduct the business now operated by them, except where the failure so to possess would not, singly or in the aggregate, reasonably be expected to result in a Material Adverse Effect. The Company and its subsidiaries are in compliance with the terms and conditions of all Governmental Licenses, except where the failure so to comply would not, singly or in the aggregate, reasonably be expected to result in a Material Adverse Effect. All of the Governmental Licenses are valid and in full force and effect, except when the invalidity of such Governmental Licenses or the failure of such Governmental Licenses to be in full force and effect would not, singly or in the aggregate, reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any of its subsidiaries has received any notice of proceedings relating to the revocation or modification of any Governmental Licenses which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would reasonably be expected to result in a Material Adverse Effect.

(xxiii) Title to Property. The Company and its subsidiaries do not own any real property and have good title to all other properties owned by them, in each case, free and clear of all mortgages, pledges, liens, security interests, claims, restrictions or encumbrances of any kind except such as (A) are described in the Registration Statement, the General Disclosure Package and the Prospectus or (B) do not, singly or in the aggregate, materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company or any of its subsidiaries; and all of the leases and subleases material to the business of the Company and its subsidiaries, considered as one enterprise, and under which the Company or any of its subsidiaries holds properties described in the Registration Statement, the General Disclosure Package or the Prospectus, are in full force and effect, and neither the Company nor any such subsidiary has any notice of any material claim that has been asserted by anyone adverse to the rights of the Company or any subsidiary under any of the leases or subleases mentioned above, or affecting or questioning the rights of the Company or such subsidiary to the continued possession of the leased or subleased premises under any such lease or sublease.

(xxiv) Possession of Intellectual Property. The Company and its subsidiaries own or possess the rights to use all patents, patent rights, licenses, inventions, copyrights,

works of authorship, software, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names, and other industrial property and intellectual property rights, as well as related rights, such as moral rights, and registrations and applications for registration of any of the foregoing (collectively, "Intellectual Property") necessary and sufficient to carry on their respective businesses, as now operated and currently contemplated to be operated by them and as currently proposed to be operated. Neither the Company nor any of its subsidiaries, whether through their respective products and services or the conduct of their respective businesses, has infringed, misappropriated, conflicted with or otherwise violated, or is currently infringing, misappropriating, conflicting with or otherwise violating, and neither the Company nor any of its subsidiaries has received any notice or is otherwise aware of any infringement of or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances which would render any Intellectual Property invalid or inadequate to protect the interest of the Company or any of its subsidiaries therein, and which infringement or conflict (if the subject of any unfavorable decision, ruling or finding) or invalidity or inadequacy, singly or in the aggregate, would reasonably be expected to result in a Material Adverse Effect. None of the technology employed by the Company in the conduct of the business in the manner described in the Registration Statement, the General Disclosure Package and the Prospectus has been obtained or is being used by the Company or the Subsidiaries in material violation of any contractual obligation binding on the Company. Except as would not reasonably be considered material, the Company knows of no infringement, misappropriation or violation by others of Intellectual Property owned by or exclusively licensed to the Company or its subsidiaries. The Company and its subsidiaries have taken all reasonable steps necessary to secure their interests in all Intellectual Property that was conceived, developed or otherwise created on their behalf by their employees and contractors and to protect the confidentiality of all of their confidential information and trade secrets. To the Company's knowledge, no employee of the Company or its Subsidiaries is in or has been in material violation of any term of any employment contract, patent disclosure agreement, invention assignment agreement, non-competition agreement, non-solicitation agreement, nondisclosure agreement or any restrictive covenant with a former employer where the basis of such violation relates to such employee's employment with the Company. To the Company's knowledge, no third party has any ownership right in or to any Intellectual Property that is purported to be owned by, or that is recorded in public records such as those of the United States Patent and Trademark Office as being owned by or assigned to, the Company or any of its subsidiaries. Except as set forth in the Registration Statement, the General Disclosure Package or Prospectus, there is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others, including interferences, oppositions, reexaminations, or other government proceedings, challenging the validity, enforceability, scope, registration, ownership, inventorship or use of any Intellectual Property owned by or exclusively licensed to the Company or any of its subsidiaries, and, to the Company's knowledge, there is no such action, suit, proceeding or claim pending or threatened challenging the Company's or its subsidiaries' rights in any Intellectual Property. All material licenses and material agreements to which the Company or any subsidiary is a party relating to Intellectual Property are in full force and effect, and the Company or its subsidiary, as applicable, is in material compliance with the terms of each such agreement.

(xxv) Environmental Laws. Except as disclosed in the Registration Statement, the General Disclosure Package and the Prospectus or would not, singly or in the aggregate, reasonably be expected to result in a Material Adverse Effect, (A) neither the Company nor any of its subsidiaries is in violation of any federal, state, local or foreign statute, law, rule, regulation, ordinance, code, policy or rule of common law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree, decision, judgment or other legally enforceable requirements, relating to pollution or protection of human health or safety, the environment and natural resources (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products, asbestos-containing materials, polychlorinated biphenyls, per- and polyfluoroalkyl substances, pesticides or mold (collectively, "Hazardous Materials") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, labeling or handling of Hazardous Materials (collectively, "Environmental Laws"), (B) there are no costs or liabilities associated with Environmental Laws of or relating to the Company or any of its subsidiaries, (C) the Company and its subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements, (D) there are no pending or, to the knowledge of the Company, threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violation, investigations or proceedings relating to any Environmental Law against the Company or any of its subsidiaries and (E) to the knowledge of the Company there are no events or circumstances that would reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or Governmental Entity, against or affecting the Company or any of its subsidiaries relating to Hazardous Materials or any Environmental Laws. Except as described in the Registration Statement, the General Disclosure Package and the Prospectus, (x) there is no proceeding that is pending, or that is known by the Company to be contemplated, against the Company or its subsidiaries under any Environmental Laws in which a governmental entity is also a party, other than such proceeding regarding which the Company and its subsidiaries reasonably believe that no monetary sanctions of $300,000 or more will be imposed and (y) none of the Company or its subsidiaries anticipates material capital expenditures relating to any Environmental Laws.

(xxvi) Accounting Controls. The Company and each of its subsidiaries maintain effective internal control over financial reporting (as defined under Rule 13-a15 and 15d-15 under the 1934 Act Regulations) and a system of internal accounting controls sufficient to provide reasonable assurances that (A) transactions are executed in accordance with management's general or specific authorization; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with U.S. GAAP and to maintain accountability for assets; (C) access to assets is permitted only in accordance with management's general or specific authorization and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as described in the Registration Statement, the General Disclosure Package and the Prospectus, since the end of the Company's most recent audited fiscal year, there has been (1) no material weakness in the Company's internal control over financial reporting (whether or not remediated) and (2) no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting (it being understood that this subsection shall not require the Company to comply with Section 404 of the Sarbanes Oxley Act of 2002, as amended, as of an earlier date than it would otherwise be required to so comply under applicable law).

(xxvii) Compliance with the Sarbanes-Oxley Act. The Company has taken all necessary actions to ensure that, upon the effectiveness of the Registration Statement, it will be in compliance with all provisions of the Sarbanes-Oxley Act of 2002 and all rules and regulations promulgated thereunder or implementing the provisions thereof (the "Sarbanes-Oxley Act") that are then in effect and with which the Company is required to comply as of the effectiveness of the Registration Statement, and is actively taking steps to ensure that it will be in compliance with other provisions of the Sarbanes-Oxley Act not currently in effect, upon the effectiveness of such provisions, or which will become applicable to the Company at all times after the effectiveness of the Registration Statement.

(xxviii) Payment of Taxes. All United States federal income tax returns, Israeli tax returns, and all other tax returns of the Company and its subsidiaries required by any applicable federal, foreign, state, local or other law to be filed have been filed or a timely extension thereof has been requested and all taxes shown by such returns or otherwise assessed, which are due and payable, have been fully paid, except in each case, tax returns or taxes where the failure to file or pay would not reasonably be expected to result in a Material Adverse Effect, and except taxes that are currently being contested in good faith and as to which adequate reserves have been provided and maintained by the Company. The charges, accruals and reserves on the books of the Company in respect of any income and corporation tax liability for any years not finally determined are adequate to meet any assessments or re-assessments for additional income tax for any years not finally determined, except to the extent of any inadequacy that would not, singly or in the aggregate, reasonably be expected to, result in a Material Adverse Effect.

(xxix) Dividends. Except as disclosed in the Registration Statement, the General Disclosure Package and the Prospectus, no approvals are currently required in the State of Israel in order for the Company to pay dividends or other distributions declared by the Company to the holders of Ordinary Shares. Under current laws and regulations of the State of Israel, any amount payable in connection with the sale of the Securities and dividends may be paid by the Company in United States dollars and, except as disclosed in the Registration Statement, the General Disclosure Package and the Prospectus, freely transferred out of the State of Israel, and except as disclosed in the Registration Statement, the General Disclosure Package and the Prospectus, no such payments made to the holders thereof that are non-Israeli residents will be subject to income, withholding or other taxes under laws and regulations of the State of Israel.

(xxx) Stamp Taxes. No transaction, documentary, stamp, registration, issuance or transfer taxes or similar taxes or duties are payable by or on behalf of the Underwriters in the State of Israel or any political subdivision or taxing authority thereof solely in connection with (i) the issuance, sale and delivery of the Securities by the Company; (ii) the sale and delivery by the Underwriters of the Securities to purchasers thereof; or (iii) the execution and delivery of, and the consummation of the transactions contemplated by, this Agreement or any other document to be furnished hereunder.

(xxxi) Israeli Taxes. Assuming that (A) the Underwriters are not otherwise subject to taxation in the State of Israel due to an Underwriter being a tax resident of, being organized or incorporated in, having a permanent establishment or any physical business presence in Israel or any present or former connection between the Underwriters and

Israel, and (B) the Underwriters' services under this Agreement will be performed entirely outside of Israel, none of (i) the issuance, sale and delivery of the Securities by the Company; (ii) the sale and delivery by the Underwriters of the Securities to purchasers thereof; or (iii) the execution and delivery of, and the consummation of the transactions contemplated by, this Agreement or any other document to be furnished hereunder will be subject to any tax (including interest and penalties) imposed on any Underwriter by the State of Israel or any taxing authority or other political subdivision thereof, whether imposed directly or through withholding.

(xxxii) Insurance. The Company and its subsidiaries carry or are entitled to the benefits of insurance, with financially sound and reputable insurers, in such amounts and covering such risks as is generally maintained by companies of established repute engaged in the same or similar business, and all such insurance is in full force and effect. The Company has no reason to believe that it or any of its subsidiaries will not be able (A) to renew its existing insurance coverage as and when such policies expire or (B) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that would not result in a Material Adverse Effect. Neither of the Company nor any of its subsidiaries has been denied any insurance coverage which it has sought or for which it has applied.

(xxxiii) Investment Company Act. The Company is not, and immediately after the issuance and sale of the Securities as herein contemplated and the application of the net proceeds therefrom as described in the Registration Statement, the General Disclosure Package and the Prospectus will not be, required, to be registered as an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(xxxiv) Absence of Manipulation. Neither the Company nor any affiliate of the Company has taken, nor will the Company or any affiliate take, directly or indirectly, any action which is designed, or would be expected, to cause or result in, or which constitutes, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities or to result in a violation of Regulation M under the 1934 Act.

(xxxv) Foreign Corrupt Practices Act. None of the Company, any of its subsidiaries or, to the knowledge of the Company, any director, officer, agent, employee, affiliate or other person acting on behalf of the Company or any of its subsidiaries, is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "FCPA"), Sections 291 and 291A of the Israeli Penal Law, 5737-1977, or any other applicable anti-corruption law, including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA and the Company and, to the knowledge of the Company; its affiliates have conducted their businesses in compliance with the FCPA and Sections 291 and 291A of the Israeli Penal Law, 5737-1977, and any other applicable anti-corruption law, and have instituted and maintain policies and procedures reasonably designed to ensure, and continue to ensure, continued compliance therewith; and no action, suit or proceeding by or before any Governmental Entity involving the Company or any of its subsidiaries with respect the FCPA, Sections 291 and 291A of the Israeli Penal Law, 5737-1977, or any other applicable anti-corruption law, is pending or, to the knowledge of the Company, threatened.

(xxxvi) Money Laundering Laws. The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the Israel Prohibition on Money Laundering Law, 5760-2000, the Israel Prohibition on Money Laundering Order, 5761-2001, the Israel Counter-Terrorism Law, 5776-2016, and the money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Entity (collectively, the "Money Laundering Laws"); and no action, suit or proceeding by or before any Governmental Entity involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(xxxvii) OFAC. None of the Company, any of its subsidiaries or, any director, officer, or, to the knowledge of the Company, any agent, employee, affiliate or representative of the Company or any of its subsidiaries is an individual or entity ("Person"), nor is owned or controlled by Persons, currently the subject or target of any sanctions administered or enforced by the United States Government, including, without limitation, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), the U.S. Department of State, the United Nations Security Council ("UNSC"), the European Union or its member states, His Majesty's Treasury of the United Kingdom ("HMT"), or pursuant to the Israeli Trade with the Enemy Ordinance, 1939 or other applicable sanctions authority (collectively, "Sanctions"), nor is the Company operating from, organized or resident in a country or territory that is the subject of Sanctions (including currently, the Crimea region of Ukraine, the so-called Luhansk People's Republic, the so-called Donetsk People's Republic, Cuba, Iran, North Korea, Syria and Lebanon) (a "Sanctioned Jurisdiction"); and the Company will not directly or indirectly use the proceeds of the sale of the Securities, or lend, contribute or otherwise make available such proceeds to any subsidiaries, joint venture partners or other Person, to fund any activities of or business with any Person, or in any country or territory, that, at the time of such funding, is the subject of Sanctions, or with any Sanctioned Jurisdiction, or in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions; and neither the Company nor any of its subsidiaries is engaged in, or has, at any time in the past ten (10) years, engaged in, any dealings or transactions directly or indirectly with or involving any individual or entity that was or is, as applicable, at the time of such dealing or transaction, the subject or target of Sanctions or with any Sanctioned Jurisdiction.

(xxxviii) Israel Innovation Authority. Neither the Company nor any of its subsidiaries (i) has received and/or applied for any material grants, incentives, benefits (including tax benefits) or subsidies from any Governmental Entity, including without limitation, the Israel Innovation Authority of the Ministry of Economy and Industry of the State of Israel ("IIA") nor has any outstanding obligations towards such Governmental Entity, in each case, except as disclosed in the Registration Statement, the General Disclosure Package and the Prospectus, nor (ii) is in violation of any condition, requirement or undertaking with respect to (A) any funding, benefits or incentives granted to the Company or any of its subsidiaries under the Law for Encouragement of Industrial Research, Development and Technological Innovation, 5744-1984 and the regulations, rules and circulars promulgated thereunder, including any instrument of approval granted to any of them by the IIA, or (B) any grants, benefits, reduced tax rates or incentives provided to the Company or any of its subsidiaries under the Law for Encouragement of Capital Investments, 5719-1959 (the "Investment Law") except, in each case, such violation that would not reasonably be expected to result in a Material Adverse Effect. The Company has not received any notice denying, revoking or adversely modifying any "approved enterprise" or "benefited enterprise" or "preferred enterprise" or "technological enterprise" or "industrial company" status with respect to any of the Company's facilities or operations (including, in all such cases, notice of proceedings or investigations related thereto). All information supplied by the Company with respect to the applications or notifications relating to such "approved enterprise" status, "benefited enterprise" status, "preferred enterprise" status and "technological enterprise" status and to grants and benefits from the IIA and/or the Investment Center or the Israel Tax Authority in accordance with the Investment Law, was true, correct and complete in all material respects when supplied to the appropriate authorities.

(xxxix) Lending Relationship. Except as disclosed in the Registration Statement, the General Disclosure Package and the Prospectus, the Company (i) does not have any material lending or other relationship with any bank or lending affiliate of any Underwriter and (ii) does not intend to use any of the proceeds from the sale of the Securities to repay any outstanding debt owed to any affiliate of any Underwriter.

(xl) Statistical and Market-Related Data. Any statistical and market-related data included in the Registration Statement, the General Disclosure Package or the Prospectus are based on or derived from sources that the Company believes, after reasonable inquiry, to be reliable and accurate in all material respects and, to the extent required, the Company has obtained the written consent to the use of such data from such sources.

(xli) Cybersecurity, Data Protection and Privacy. (A) There has been no material security breach or incident, unauthorized, unlawful or accidental access or disclosure, or other compromise of or relating to the Company or its subsidiaries information technology and computer systems, networks, hardware, software, data and databases (including the data and information of their respective customers, employees, suppliers, vendors; any third party data maintained, processed or stored by the Company and its

subsidiaries; and any other personal, personally identifiable, sensitive, confidential or regulated data, in each case, including to the extent any such data is processed or stored by third parties on behalf of the Company and its subsidiaries), equipment or technology (collectively, "IT Systems and Data"): (B) neither the Company nor its subsidiaries have been notified of, and each of them have no knowledge of any event or condition that would reasonably be expected to result in, any such security breach or incident, unauthorized, unlawful or accidental access or disclosure or other compromise to their IT Systems and Data (a "Security Incident") and (C) the Company and its subsidiaries have implemented appropriate controls, policies, procedures, and other organizational, physical and technological safeguards to protect against a Security Incident and maintain and protect the integrity, continuous operation, redundancy, privacy and security of their IT Systems and Data reasonably consistent with industry standards and practices and as required by applicable regulatory standards. The Company and its subsidiaries are presently in material compliance with all applicable laws, statutes or regulations and all guidelines, guidance, judgments, orders and rules of any court or arbitrator or governmental or regulatory authority, applicable policies, notices and statements and contractual obligations, each as they relate to the processing, privacy and security of IT Systems and Data and to the protection of such IT Systems and Data from a Security Incident ("Privacy Requirements"). In relation to a Security Incident or the alleged violation of any Privacy Requirement, the Company and its subsidiaries have not: (i) notified, or been required to notify, any person and/or regulatory authority or (ii) received any claim, complaint, requests, or other correspondence, or been subject to any audits, investigations or other enforcement actions, from or by any person and/or regulatory authority.

(xlii) FPI Status. The Company is a "foreign private issuer" as defined in Rule 405 of the 1933 Act.

(xliii) Passive Foreign Investment Company. The Company does not believe it was treated as a "passive foreign investment company" ("PFIC") as defined in Section 1297 of the Code for its most recently completed taxable year, based on its current operations, income, assets and certain estimates and projections, including as to the relative value of its assets, and the Company does not expect to be a PFIC for its current taxable year or to become one in the foreseeable future.

(xliv) Submission to Jurisdiction. The Company has the power to submit, and pursuant to Section 17 of this Agreement, has legally, validly, effectively and irrevocably submitted, to the personal jurisdiction of each Specified Court (as defined in Section 17 of this Agreement), and the Company has the power to designate, appoint and authorize, and pursuant to Section 17 of this Agreement, has legally, validly, effectively and irrevocably designated, appointed and authorized an agent for service of process in any action arising out of or relating to this Agreement or the issuance and sale of the Securities contemplated hereby in any Specified Court, and service of process effected on such authorized agent will be effective to confer valid personal jurisdiction over the Company as provided in Section 17 hereof.

(xlv) No Immunity. Except as provided by laws or statutes generally applicable to transactions of the type described in this Agreement, neither the Company nor any of its respective properties, assets or revenues has any right of immunity under Israeli, New York or United States law, from any legal action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from set-off or counterclaim, from the jurisdiction of any Israeli, New York or United States federal court, from service of process, attachment upon or prior judgment, or attachment in aid of execution of judgment, or from execution of a judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of a judgment, in any such court, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with this Agreement. To the extent that the Company or any of its respective properties, assets or revenues may have or may hereafter become entitled to any such right of immunity in any such court in which proceedings may at any time be commenced, the Company waives or will waive such right to the extent permitted by law and has consented to such relief and enforcement as provided in Section 17 of this Agreement.

(xlvi) Enforcement of Judgments. Subject to the conditions and qualifications set forth in the Registration Statement, the General Disclosure Package and the Prospectus, a final and conclusive judgment against the Company for a definitive sum of money entered by any Specified Court would be declared enforceable by an Israeli court.

(xlvii) Uyghur Forced Labor Prevention Act. The operations of neither the Company nor any of its subsidiaries involve the sale or import into the United States of any goods, wares, articles, or merchandise mined, produced, or manufactured wholly or in part in the Xinjiang Uyghur Autonomous Region of the People's Republic of China, or produced by an entity on the Department of Homeland Security's UFLPA Entity List. In the past ten (10) years, none of the goods the Company or any of its subsidiaries have sold or imported into the United States have been seized by Customs and Border Patrol as being contrary to Section 307 of the Tariff Act of 1930 due to the use of forced labor in China in the production of such goods, and neither the Company nor its subsidiaries have been the subject of any fines, penalties, enforcement actions, litigation, or other liability in relation to the use of forced labor or alleged forced labor in the supply chain of the products it sells or imports into the United States. The Company and its subsidiaries have implemented policies and controls reasonably designed to mitigate the risks of forced labor in their supply chains and to ensure compliance with Section 307 of the Tariff Act of 1930.

(xlviii) Equity Awards. With respect to the equity awards (the "Equity Awards") granted pursuant to the share-based compensation plans of the Company and its subsidiaries (the "Company Share Plans"), (i) each Equity Award purported to be issued under Section 102 of the Israeli Tax Ordinance – (New Version) 1961 fully qualifies for treatment under that section, (ii) each Equity Award intended to qualify as an "incentive stock option" under Section 422 of the Code so qualifies, (iii) each grant of an Equity Award was duly authorized no later than the date on which the grant of such Equity Award was by its terms to be effective by all necessary corporate action, and the award agreement governing such grant (if any) was duly executed and delivered by each party thereto, (iv) each such grant was made in accordance with the terms of the Company Share Plans and all applicable laws and regulatory rules or requirements and (v) each such grant was properly accounted for in accordance with GAAP in the financial statements (including the related notes) of the Company included in the Registration Statement, the General Disclosure Package and the Prospectus.

(b) *Officer's Certificates*. Any certificate signed by any officer of the Company or any of its subsidiaries delivered to the Representative or to counsel for the Underwriters shall be deemed a representation and warranty by the Company to each Underwriter as to the matters covered thereby.

SECTION 2 Sale and Delivery to Underwriters; Closing

(a) *Initial Securities*. On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company agrees to sell to each Underwriter, severally and not jointly, and each Underwriter, severally and not jointly, agrees to purchase from the Company, at the price per share set forth in Schedule A, that number of Initial Securities set forth in Schedule A opposite the name of such Underwriter, plus any additional number of Initial Securities which such Underwriter may become obligated to purchase pursuant to the provisions of Section 10 hereof, subject, in each case, to such adjustments among the Underwriters as the Representative in its sole discretion shall make to eliminate any sales or purchases of fractional shares.

(b) *Option Securities.* In addition, on the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company hereby grants an option to the Underwriters, severally and not jointly, to purchase up to an additional [●] Ordinary Shares, at the price per share set forth in Schedule A, less an amount per share equal to any dividends or distributions declared by the Company and payable on the Initial Securities but not payable on the Option Securities. The option hereby granted may be exercised for 30 days after the date hereof and may be exercised in whole or in part at any time within the 30-day period from time to time upon written notice by the Representative to the Company setting forth the number of Option Securities as to which the several Underwriters are then exercising the option and the time and date of payment and delivery for such Option Securities. Any such time and date of delivery (a "Date of Delivery") shall be determined by the Representative, but shall not be later than seven full business days after the exercise of said option, nor in any event prior to the Closing Time. If the option is exercised as to all or any portion of the Option Securities, each of the Underwriters, acting severally and not jointly, will purchase that proportion of the total number of Option Securities then being purchased which the number of Initial Securities set forth in Schedule A opposite the name of such Underwriter bears to the total number of Initial Securities, subject, in each case, to such adjustments as the Representative in its discretion shall make to eliminate any sales or purchases of fractional shares.

(c) *Payment.* Payment of the purchase price for, and delivery of certificates or security entitlements for, the Initial Securities shall be made at the offices of Latham & Watkins LLP, at 1271 Avenue of the Americas, New York, NY 10020, or at such other place as shall be agreed upon by the Representative and the Company, at 9:00 A.M. (New York City time) on the first (second, if the pricing occurs after 4:30 P.M. (New York City time) on any given day) business day after the date hereof (unless postponed in accordance with the provisions of Section 10 hereof), or such other time not later than ten business days after such date as shall be agreed upon by the Representative and the Company (such time and date of payment and delivery being herein called "Closing Time").

In addition, in the event that any or all of the Option Securities are purchased by the Underwriters, payment of the purchase price for, and delivery of certificates or security entitlements for, such Option Securities shall be made at the above-mentioned offices, or at such other place as shall be agreed upon by the Representative and the Company, on each Date of Delivery as specified in the notice from the Representative to the Company.

Payment shall be made to the Company by wire transfer of immediately available funds to a bank account designated by the Company against delivery to the Representative for the respective accounts of the Underwriters of certificates or security entitlements for the Securities to be purchased by them. It is understood that each Underwriter has authorized the Representative, for its account, to accept delivery of, receipt for, and make payment of the purchase price for, the Initial Securities and the Option Securities, if any, which it has agreed to purchase. Barclays, individually and not as representative of the Underwriters, may (but shall not be obligated to) make payment of the purchase price for the Initial Securities or the Option Securities, if any, to be purchased by any Underwriter whose funds have not been received by the Closing Time or the relevant Date of Delivery, as the case may be, but such payment shall not relieve such Underwriter from its obligations hereunder.

SECTION 3 Covenants of the Company. The Company covenants with each Underwriter as follows:

(a) *Compliance with Securities Regulations and Commission Requests.* The Company, subject to Section 3(b) hereof, will comply with the requirements of Rule 430A, and will notify the Representative immediately, and confirm the notice in writing, (i) when any post-effective amendment to the Registration Statement shall become effective or any amendment or supplement to the Prospectus shall have been filed, (ii) of the receipt of any comments from the Commission regarding the Registration Statement, the Prospectus or the offering or sale of the Securities, (iii) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or for additional information, (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or any post-effective amendment or of any order preventing or suspending the use of any preliminary prospectus or the Prospectus, or of the suspension of the qualification of the Securities for offering or sale in any jurisdiction, or of the initiation or threatening of any proceedings for any of such purposes or of any examination pursuant to Section 8(d) or 8(e) of the 1933 Act concerning the Registration Statement and (v) if the Company becomes the subject of a proceeding under Section 8A of the 1933 Act in connection with the offering of the Securities. The Company will effect all filings required under Rule 424(b), prior to settlement of the transaction (without reliance on Rule 424(b)(8)), and will take such steps as it deems necessary to ascertain promptly whether the form of prospectus transmitted for filing under Rule 424(b) was received for filing by the Commission and, in the event that it was not, it will promptly file such prospectus. The Company will make every reasonable effort to prevent the issuance of any stop order, prevention or suspension and, if any such order is issued, to obtain the lifting thereof as soon as practicable.

(b) *Continued Compliance with Securities Laws.* The Company will comply with the 1933 Act and the 1933 Act Regulations so as to permit the completion of the distribution of the Securities as contemplated in this Agreement and in the Registration Statement, the General Disclosure Package and the Prospectus. If at any time when a prospectus relating to the Securities is (or, but for the exception afforded by Rule 172 of the 1933 Act Regulations ("Rule 172"), would be) required by the 1933 Act to be delivered in connection with sales of the Securities, any event shall occur or condition shall exist as a result of which it is necessary, in the opinion of counsel for the Underwriters or for the Company, to (i) amend the Registration Statement in order that the Registration Statement will not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) amend or supplement the General Disclosure Package or the Prospectus in order that the General Disclosure Package or the Prospectus, as the case may be, will not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time it is delivered to a purchaser or (iii) amend the Registration Statement or amend or supplement the General Disclosure Package or the Prospectus, as the case may be, in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations, the Company will promptly (A) give the Representative notice of such event, (B) prepare any amendment or supplement as may be necessary to correct such statement or omission or to make the Registration Statement, the General Disclosure Package or the Prospectus comply with such requirements and, a reasonable amount of time prior to any proposed filing or use, furnish the Representative with copies of any such amendment or supplement and (C) file with the Commission any such amendment or supplement; provided that the Company shall not file or use any such amendment or supplement to which the Representative or counsel for the Underwriters shall reasonably object in a timely manner after receipt thereof. The Company will furnish to the Underwriters such number of copies of such amendment or supplement as the Underwriters may reasonably request. The Company has given the Representative notice of any filings made pursuant to the 1934 Act or 1934 Act Regulations within 48 hours prior to the Applicable Time; the Company will give the Representative notice of its intention to make any such filing from the Applicable Time to the Closing Time and will furnish the Representative with copies of any such documents a reasonable amount of time prior to such proposed filing, as the case may be, and will not file or use any such document to which the Representative or counsel for the Underwriters shall reasonably object.

(c) *Delivery of Registration Statements.* The Company has furnished or will, upon request, deliver to the Representative and counsel for the Underwriters, without charge, signed copies of the Registration Statement as originally filed and each amendment thereto (including exhibits filed therewith) and signed copies of all consents and certificates of experts, and will also, upon request, deliver to the Representative, without charge, a conformed copy of the Registration Statement as originally filed and each amendment thereto (without exhibits) for each of the Underwriters. The copies of the Registration Statement and each amendment thereto furnished to the Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(d) *Delivery of Prospectuses*. The Company has delivered to each Underwriter, without charge, as many copies of each preliminary prospectus as such Underwriter reasonably requested, and the Company hereby consents to the use of such copies for purposes permitted by the 1933 Act. The Company will furnish to each Underwriter, without charge, during the period when a prospectus relating to the Securities is (or, but for the exception afforded by Rule 172, would be) required to be delivered under the 1933 Act, such number of copies of the Prospectus (as amended or supplemented) as such Underwriter may reasonably request. The Prospectus and any amendments or supplements thereto furnished to the Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(e) *Blue Sky Qualifications.* If required by law, the Company will use its commercially reasonable best efforts, in cooperation with the Underwriters, to qualify the Securities for offering and sale under the applicable securities laws of such states and other jurisdictions (domestic or foreign) as the Representative may designate and to maintain such qualifications in effect so long as required to complete the distribution of the Securities; provided, however, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

(f) *Rule 158*. The Company will timely file such reports pursuant to the 1934 Act as are necessary in order to make generally available to its securityholders as soon as practicable an earnings statement for the purposes of, and to provide to the Underwriters the benefits contemplated by, the last paragraph of Section 11(a) of the 1933 Act.

(g) *Use of Proceeds.* The Company will use the net proceeds received by it from the sale of the Securities in the manner specified in the Registration Statement, the General Disclosure Package and the Prospectus under "Use of Proceeds."

(h) *Listing*. The Company will use its best efforts to effect and maintain the listing of the Securities on the Nasdaq Global Market.

(i) *Restriction on Sale of Securities.* During a period of 180 days from the date of the Prospectus, the Company will not, without the prior written consent of the Representative, (i) directly or indirectly, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of any Ordinary Shares or any securities convertible into or exercisable or exchangeable for Ordinary Shares or file or confidentially submit any registration statement under the 1933 Act with respect to any of the foregoing or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Ordinary Shares, whether any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of Ordinary Shares or other securities, in cash or otherwise. The foregoing sentence shall not apply to (A) the Securities to be sold hereunder, (B) any Ordinary Shares issued by the Company upon the exercise, conversion or exchange of any option, warrant, or convertible security outstanding on the date hereof and referred to in the Registration Statement, the General Disclosure Package and the Prospectus, (C) the grant by the Company of any options, warrants or awards to purchase or the issuance by the Company of Ordinary Shares or any

securities convertible into or exercisable for, Ordinary Shares pursuant to the Company Share Plans disclosed in the General Disclosure Package and the Prospectus, any Ordinary Shares issued or options to purchase Ordinary Shares granted pursuant to existing employee benefit plans of the Company referred to in the Registration Statement, the General Disclosure Package and the Prospectus, (D) any Ordinary Shares issued pursuant to any non-employee director share plan or dividend reinvestment plan referred to in the Registration Statement, the General Disclosure Package and the Prospectus, (E) the filing of any registration statement on Form S-8 or a successor form thereto with respect to any Company Share Plans referred to in the Registration Statement, the General Disclosure Package and the Prospectus, or (F) the issuance of Ordinary Shares, restricted stock awards or securities convertible into or exercisable or exchangeable for Ordinary Shares in connection with (i) the acquisition of the securities, business, property or other assets of another Person or pursuant to any employee benefit plan assumed in connection with any such acquisition, (ii) joint ventures, (iii) collaboration, licensing, or commercial relationships or (iv) other strategic transactions, provided that the aggregate number of Ordinary Shares, restricted stock awards and Ordinary Shares issuable upon the conversion, exercise or exchange of securities (on an as converted or as exercised basis, as the case may be) issued pursuant to this clause (F) shall not exceed 5% of the total number of Ordinary Shares issued and outstanding immediately following the issuance and sale of the Securities at the Closing Time pursuant hereto; and provided, further, that, in each case of (A) to (F), each recipient of Ordinary Shares, restricted stock awards or securities convertible into or exercisable or exchangeable for Ordinary Shares pursuant to this clause agrees to be bound by the terms of the lock-up or shall execute a lock-up agreement substantially in the form of Exhibit A hereto.

(j) If the Representative, in its sole discretion, agrees to release or waive the restrictions set forth in a lock-up agreement described in Section 5(l) hereof for an officer or director of the Company and provides the Company with notice of the impending release or waiver at least three business days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver by a press release substantially in the form of Exhibit B hereto through a major news service at least two business days before the effective date of the release or waiver.

(k) *Reporting Requirements.* The Company, during the period when a Prospectus relating to the Securities is (or, but for the exception afforded by Rule 172, would be) required to be delivered under the 1933 Act, will file all documents required to be filed with the Commission pursuant to the 1934 Act within the time periods required by the 1934 Act and 1934 Act Regulations. Additionally, the Company shall report the use of proceeds from the issuance of the Shares as may be required under Rule 463 under the 1933 Act.

(l) *Issuer Free Writing Prospectuses*. The Company agrees that, unless it obtains the prior written consent of the Representative, it will not make any offer relating to the Securities that would constitute an Issuer Free Writing Prospectus or that would otherwise constitute a "free writing prospectus," or a portion thereof, required to be filed by the Company with the Commission or retained by the Company under Rule 433; provided that the Representative will be deemed to have consented to the Issuer Free Writing Prospectuses listed on Schedule B-2 hereto and any "road show for an offering that is a written communication" within the meaning of Rule 433(d)(8)(i) that has been reviewed by the Representative. The Company represents that it has treated or agrees that it will treat each such free writing prospectus consented to, or deemed consented to, by the Representative as an "issuer free writing prospectus," as defined in Rule 433, and that it has complied and will comply with the applicable requirements of Rule 433 with respect thereto, including timely filing with the Commission where required, legending and record keeping. If at any time following issuance of an Issuer Free Writing Prospectus there occurred or occurs an event or development as a result of which such Issuer Free Writing Prospectus conflicted or would conflict with the information contained in the Registration Statement, any preliminary prospectus or the Prospectus or included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the Representative and will promptly amend or supplement, at its own expense, such Issuer Free Writing Prospectus to eliminate or correct such conflict, untrue statement or omission; provided however that this covenant shall not apply to any statements or omissions in an Issuer Free Writing Prospectus made in reliance upon and in conformity with Underwriter Information.

(m) *Certification Regarding Beneficial Owners.* The Company will deliver to the Representative, on the date of execution of this Agreement, a properly completed and executed Certification Regarding Beneficial Owners of Legal Entity Customers, together with copies of identifying documentation, and the Company undertakes to provide such additional supporting documentation as the Representative may reasonably request in connection with the verification of the foregoing certification.

(n) *Israeli Securities Law.* The Company acknowledges, understands and agrees that Securities may be sold in Israel only by the Underwriters only to such Israeli investors listed in the First Addendum to the Israeli Securities Law (the "Addendum"); all of whom are to be specifically identified and approved by the Underwriters, and provided further that as a prerequisite to sale of Securities by the Underwriters to such Israeli investors, each of them shall be required to submit written confirmation to the Underwriters and the Company that such investor (i) falls within the scope of the Addendum, is aware of the meaning of same and agrees to it; and (ii) is acquiring the Securities being offered to it for investment for its own account or, if applicable, for investment for clients who are investors under Section 15A(b) of the Israeli Securities Law and in any event not as a nominee, market maker or agent and not with a view to, or for the resale in connection with, any distribution thereof.

(o) *Stamp Taxes.* The Company will indemnify and hold harmless the Underwriters against any transaction, documentary, stamp, registration, issuance or transfer taxes or similar taxes or duties, including any additions to tax, interest and penalties thereon, payable on or with respect to, in any jurisdiction in connection with (i) the issuance, sale and delivery of the Securities by the Company; (ii) the sale and delivery by the Underwriters of the Securities to purchasers thereof; or (iii) the execution and delivery of, and the consummation of the transactions contemplated by, this Agreement or any other document to be furnished hereunder.

(p) *Payments*. All payments to be made or deemed to be made by or on behalf of the Company under this Agreement to an Underwriter shall be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any jurisdiction, unless the Company is or becomes required by law to withhold or deduct such taxes, duties, assessments or governmental charges. In such event, the Company will pay such additional amounts as will result, after all such withholdings or deductions (including, for the avoidance of doubt, from any additional amounts), in the receipt by each relevant Underwriter of the amounts that would otherwise have been received had no such deduction or withholding been made, provided, that in no event shall the Company be liable to pay any such additional amounts with respect to any taxes, duties, assessments, governmental charges, withholding or deduction imposed on such Underwriter by the State of Israel or any taxing authority or other political subdivision thereof arising solely as a result of (a) such Underwriter being a tax resident of, being organized or incorporated in, or having a permanent establishment or any physical business presence in, the jurisdiction imposing the tax or solely as a result of any present or former connection (other than any connection solely as a result of the execution and delivery of, or performance of, its obligations under this Agreement or receipt of any payments or enforcement of rights hereunder) between the Underwriter and the jurisdiction imposing such tax, withholding or deductions, or (b) to the extent resulting from the Underwriter's services under this Agreement having been performed by the Underwriter inside the State of Israel. Without derogating from the above, each of the Underwriters shall reasonably cooperate with the Company, by providing reasonably required information for the Company to obtain a withholding certificate from the Israel Tax Authority that would permit payments made or deemed to be made hereunder by the Company to be subject to a reduced rate of, or exemption from, withholding or deduction. For the avoidance of doubt, all payments (including payments in kind, such as issuance, sale and delivery of Securities by the Company to the Underwriters and the sale and delivery of Securities by the Underwriters to purchasers thereof) payable or deemed payable by or on behalf of the Company under this Agreement shall be exclusive of Israeli value added tax, sales tax or similar taxes (collectively, "VAT"). If any VAT is or becomes chargeable in respect of any such payment or deemed payment, the Company shall bear and pay in addition the amount of such VAT.

(q) Testing-the-Waters Materials. If at any time following the distribution of any Written Testing-the-Waters Communication there occurred or occurs an event or development as a result of which such Written Testing-the-Waters Communication included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the Representative and will promptly amend or supplement, at its own expense, such Written Testing-the-Waters Communication to eliminate or correct such untrue statement or omission; provided, however, that this representation and warranty shall not apply to any statements or omissions in a Written Testing-the-Waters Communication made in reliance upon and in conformity with Underwriter Information.

(r) Emerging Growth Company Status. The Company will promptly notify the Representative if the Company ceases to be an Emerging Growth Company at any time prior to the later of (i) completion of the distribution of the Securities within the meaning of the 1933 Act and (ii) completion of the 180-day restricted period referred to in Section 3(i) hereof.

SECTION 4 Payment of Expenses.

(a) *Expenses.* The Company will pay or cause to be paid all expenses incident to the performance of its obligations under this Agreement, including (i) the preparation, printing and filing of the Registration Statement (including financial statements and exhibits) as originally filed and each amendment thereto, (ii) the preparation, printing and delivery to the Underwriters of copies of each preliminary prospectus, each Issuer Free Writing Prospectus and the Prospectus and any amendments or supplements thereto and any costs associated

with electronic delivery of any of the foregoing by the Underwriters to investors, (iii) the preparation, issuance and delivery of the certificates or security entitlements for the Securities to the Underwriters, including any shares or other transfer taxes and any stamp or other duties (including value added taxes, if and as applicable) payable upon the sale, issuance, delivery or initial resale by the Underwriters of the Securities pursuant to this Agreement, (iv) the fees and disbursements of the Company's counsel, accountants and other advisors, (v) the qualification of the Securities under securities laws in accordance with the provisions of Section 3(e) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection therewith and in connection with the preparation of the Blue Sky Survey and any supplement thereto, (vi) the fees and expenses of any transfer agent or registrar for the Securities, (vii) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the Securities, including without limitation, expenses associated with the production of road show slides and graphics, reasonable and documented fees and expenses of any consultants engaged by the Company or with the Company's prior written consent in connection with the road show presentations, travel and lodging expenses of the Representative and officers of the Company and any such consultants, and 50% of the cost of aircraft and other transportation chartered in connection with the road show (the other half to be borne by the Underwriters), (viii) the filing fees incident to and the reasonable fees and disbursements of counsel to the Underwriters in connection with, the review by FINRA of the terms of the sale of the Securities, provided, however, that the reasonable fees and disbursements of counsel for the Underwriters relating to clauses (v) and (viii) shall not exceed $35,000 in the aggregate, and (ix) the fees and expenses incurred in connection with the listing of the Securities on the Nasdaq Global Market and (x) the costs and expenses including, without limitation, any damages or other amounts payable in connection with legal or contractual liability) associated with the reforming of any contracts for sale of the Securities made by the Underwriters caused by a breach of the representation contained in the third sentence of Section 1(a)(ii).

(b) *Termination of Agreement.* If this Agreement is terminated by the Representative in accordance with the provisions of Section 5, Section 9(a)(i) or (iii) or Section 10 hereof, the Company shall reimburse the Underwriters for all of their out-of-pocket expenses, including the reasonable fees and disbursements of counsel for the Underwriters.

SECTION 5 Conditions of Underwriters' Obligations. The obligations of the several Underwriters hereunder are subject to the accuracy of the representations and warranties of the Company contained herein or in certificates of any officer of the Company or any of its subsidiaries delivered pursuant to the provisions hereof, to the performance by the Company of its covenants and other obligations hereunder, and to the following further conditions:

(a) *Effectiveness of Registration Statement; Rule 430A Information.* The Registration Statement, including any Rule 462(b) Registration Statement, has become effective and, at the Closing Time, no stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto has been issued under the 1933 Act, no order preventing or suspending the use of any preliminary prospectus or the Prospectus has been issued and no proceedings for any of those purposes have been instituted or are pending or, to the Company's knowledge, contemplated; and the Company has complied with each request (if any) from the Commission for additional information. A prospectus containing the Rule 430A Information shall have been filed with the Commission in the manner and within the time frame required by Rule 424(b) without reliance on Rule 424(b)(8) or a post-effective amendment providing such information shall have been filed with, and declared effective by, the Commission in accordance with the requirements of Rule 430A.

(b) *Opinion and 10b-5 Statement of U.S. Counsel for Company.* At the Closing Time, the Representative shall have received the favorable opinion and negative assurance letter, each dated the Closing Time, of Greenberg Traurig LLP, U.S. counsel for the Company, in form and substance satisfactory to counsel for the Underwriters, together with signed or reproduced copies of such letter for each of the other Underwriters and to such further effect as counsel to the Underwriters may reasonably request.

(c) *Opinion and 10b-5 Statement of Israeli Counsel for Company*. At the Closing Time, the Representative shall have received the favorable opinion and negative assurance letter, dated the Closing Time, of Gornitzky & Co., Israeli counsel for the Company, in form and substance satisfactory to counsel for the Underwriters, together with signed or reproduced copies of such letter for each of the other Underwriters and to such further effect as counsel to the Underwriters may reasonably request.

(d) *Opinion and 10b-5 Statement of U.S. Counsel for Underwriters.* At the Closing Time, the Representative shall have received the favorable opinion and negative assurance letter, dated the Closing Time, of Latham & Watkins LLP, U.S. counsel for the Underwriters, together with signed or reproduced copies of such letter for each of the other Underwriters. In giving such opinion such counsel may rely, as to all matters governed by the laws of jurisdictions other than the law of the State of New York and the federal securities laws of the United States, upon the opinions of Israeli counsel satisfactory to the Representative. Such counsel may also state that, insofar as such opinion involves factual matters, they have relied, to the extent they deem proper, upon certificates of officers and other representatives of the Company and its subsidiaries and certificates of public officials.

(e) *Opinion of Israeli Counsel for Underwriters*. At the Closing Time, the Representative shall have received the favorable opinion, dated the Closing Time, of Goldfarb Gross Seligman & Co., Israeli counsel for the Underwriters, together with signed or reproduced copies of such letter for each of the other Underwriters. In giving such opinion such counsel may rely, as to all matters governed by the laws of jurisdictions other than the State of Israel, upon the opinions of U.S. counsel satisfactory to the Representative. Such counsel may also state that, insofar as such opinion involves factual matters, they have relied, to the extent they deem proper, upon certificates of officers and other representatives of the Company and its subsidiaries and certificates of public officials.

(f) *Opinion of Intellectual Property Counsels for Company.* At the Closing Time, the Representative shall have received the favorable opinions, dated the Closing Time, of Dr. Eyal Bressler & Co. Ltd., the intellectual property counsel for the company, in form and substance reasonably satisfactory to counsel for the Underwriters, together with signed or reproduced copies of such letter for each of the other Underwriters.

(g) *Officers' Certificate*. At the Closing Time, there shall not have been, since the date hereof or since the respective dates as of which information is given in the Registration Statement, the General Disclosure Package or the Prospectus, any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, and the Representative shall have received a certificate of the Chief Executive Officer or the President of the Company and of the chief financial or chief accounting officer of the Company, dated the Closing Time, to the effect that (i) there has been no such material adverse change, (ii) the representations and warranties of the Company in this Agreement are true and correct with the same force and effect as though expressly made at and as of the Closing Time, (iii) the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Time, and (iv) no stop order suspending the effectiveness of the Registration Statement under the 1933 Act has been issued, no order preventing or suspending the use of any preliminary prospectus or the Prospectus has been issued and no proceedings for any of those purposes have been instituted or are pending or, to their knowledge, contemplated or threatened by the Commission.

(h) *Accountant's Comfort Letter*. At the time of the execution of this Agreement, the Representative shall have received from Kesselman & Kesselman, Certified Public Accountants (Isr.) a member firm of PricewaterhouseCoopers International Limited a letter, dated such date, in form and substance satisfactory to the Representative, together with signed or reproduced copies of such letter for each of the other Underwriters containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement, the General Disclosure Package and the Prospectus.

(i) *Bring-down Comfort Letter.* At the Closing Time, the Representative shall have received from Kesselman & Kesselman, Certified Public Accountants (Isr.) a member firm of PricewaterhouseCoopers International Limited a letter, dated as of the Closing Time, to the effect that they reaffirm the statements made in the letter furnished pursuant to subsection (h) of this Section, except that the specified date referred to shall be a date not more than three business days prior to the Closing Time.

(j) *CFO Certificate*. At the time of the execution of this Agreement and at the Closing Time, the Company shall have furnished or caused to be furnished to the Representative a certificate of the Chief Financial Officer of the Company, in such capacity, in a form and substance reasonably satisfactory to the Representative;

(k) *Approval of Listing.* At the Closing Time, the Securities shall have been approved for listing on the Nasdaq Global Market, subject only to official notice of issuance.

(l) *No Objection.* FINRA has confirmed that it has not raised any objection with respect to the fairness and reasonableness of the underwriting terms and arrangements relating to the offering of the Securities.

(m) *Lock-up Agreements*. At the date of this Agreement, the Representative shall have received an agreement substantially in the form of Exhibit A hereto signed by the persons listed on Schedule C hereto.

(n) *Maintenance of Rating*. Since the execution of this Agreement, there shall not have been any decrease in or withdrawal of the rating of any securities of the Company or any of its subsidiaries by any "nationally recognized statistical rating organization" (as defined in Section 3(a)(62) of the 1934 Act) or any notice given of any intended or potential decrease in or withdrawal of any such rating or of a possible change in any such rating that does not indicate the direction of the possible change. Neither the Company nor its subsidiaries have any debt securities or preferred shares that are rated by any "nationally recognized statistical rating organization" (as defined in Section 3(a)(62) of the 1934 Act).

(o) *Conditions to Purchase of Option Securities.* In the event that the Underwriters exercise their option provided in Section 2(b) hereof to purchase all or any portion of the Option Securities, the representations and warranties of the Company contained herein and the statements in any certificates furnished by the Company and any of its subsidiaries hereunder shall be true and correct as of each Date of Delivery and, at the relevant Date of Delivery, the Representative shall have received:

(i) Officers' Certificate. A certificate, dated such Date of Delivery, of the Chief Executive Officer or the President of the Company and of the chief financial or chief accounting officer of the Company confirming that the certificate delivered at the Closing Time pursuant to Section 5(d) hereof remains true and correct as of such Date of Delivery.

(ii) Opinion and 10b-5 Statement of U.S. Counsel for Company. If requested by the Representative, the favorable opinion and the negative assurance letter of Greenberg Traurig, LLP, U.S. counsel for the Company, each in form and substance satisfactory to counsel for the Underwriters, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(b) hereof.

(iii) Opinion and 10b-5 Statement of Israeli Counsel for Company. If requested by the Representative, the favorable opinion and the negative assurance letter of Gornitzky & Co., Israeli counsel for the Company, in form and substance satisfactory to counsel for the Underwriters, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(c) hereof.

(iv) Opinion and 10b-5 Statement of U.S. Counsel for Underwriters. If requested by the Representative, the favorable opinion and the negative assurance letter of Latham & Watkins, LLP, counsel for the Underwriters, each relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(d) hereof.

(v) Opinion of Israeli Counsel for Underwriters. If requested by the Representative, the favorable opinion of Goldfarb Gross Seligman & Co., Israeli counsel for the Underwriters, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(e) hereof.

(vi) Opinion of Intellectual Property Counsel for Company. If requested by the Representative, the favorable opinion of Dr. Eyal Bressler & Co. Ltd., the intellectual property counsel for the company, in form and substance reasonably satisfactory to counsel for the Underwriters, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(f) hereof.

(vii) Bring-down Comfort Letter. If requested by the Representative, a letter from Kesselman & Kesselman, Certified Public Accountants (Isr.) a member firm of PricewaterhouseCoopers International Limited in form and substance satisfactory to the Representative and dated such Date of Delivery, substantially in the same form and substance as the letter furnished to the Representative pursuant to Section 5(h) hereof, except that the "specified date" in the letter furnished pursuant to this paragraph shall be a date not more than three business days prior to such Date of Delivery.

(viii) CFO Certificate. A certificate, dated such Date of Delivery, of the Chief Financial Officer of the Company, in such capacity, in a form and substance reasonably satisfactory to the Representative.

(p) *Additional Documents.* At the Closing Time and at each Date of Delivery (if any) counsel for the Underwriters shall have been furnished with such documents and opinions as they may reasonably require for the purpose of enabling them to pass upon the issuance and sale of the Securities as herein contemplated, or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, herein contained; and all proceedings taken by the Company in connection with the issuance and sale of the Securities as herein contemplated shall be reasonably satisfactory in form and substance to the Representative and counsel for the Underwriters.

(q) *Termination of Agreement.* If any condition specified in this Section shall not have been fulfilled when and as required to be fulfilled, this Agreement, or, in the case of any condition to the purchase of Option Securities on a Date of Delivery which is after the Closing Time, the obligations of the several Underwriters to purchase the relevant Option Securities, may be terminated by the Representative by notice to the Company at any time at or prior to Closing Time or such Date of Delivery, as the case may be, and such termination shall be without liability of any party to any other party except as provided in Section 4 and except that Sections 1, 6, 7, 8, 14, 15, 16 and 17 shall survive any such termination and remain in full force and effect.

SECTION 6 Indemnification.

(a) *Indemnification of Underwriters.* The Company agrees to indemnify and hold harmless each Underwriter, its affiliates (as such term is defined in Rule 501(b) under the 1933 Act (each, an "Affiliate")), its selling agents and each person, if any, who controls any Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act as follows:

(i) against any and all loss, liability, claim, damage and expense, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto), including the Rule 430A Information, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact included (A) in any preliminary prospectus, any Issuer Free Writing Prospectus, any Testing-the-Waters Communication, the General Disclosure Package or the Prospectus (or any amendment or supplement thereto), or (B) in any materials or information provided to investors by, or with the approval of, the Company in connection with the marketing of the offering of the Securities ("Marketing Materials"), including any roadshow or investor presentations made to investors by the Company (whether in person or electronically), or the omission or alleged omission in any preliminary prospectus, Issuer Free Writing Prospectus, any Testing-the-Waters Communication, Prospectus or in any Marketing Materials of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission; provided that (subject to Section 6(d) below) any such settlement is effected with the written consent of the Company;

(iii) against any and all expense, as incurred (including the fees and disbursements of counsel chosen by the Representative), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above;

provided, however, that this indemnity shall not apply to any loss, liability, claim, damage or expense to the extent arising out of or based upon any untrue statement or omission or alleged untrue statement or omission made in the Registration Statement (or any amendment thereto), including the Rule 430A Information, the General Disclosure Package or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with the Underwriter Information.

(b) *Indemnification of Company, Directors and Officers.* Each Underwriter severally agrees to indemnify and hold harmless the Company, its directors, each of its officers who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act, against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendment thereto), including the Rule 430A Information, the General Disclosure Package or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with the Underwriter Information.

(c) *Actions against Parties; Notification.* Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. In the case of parties indemnified pursuant to Section 6(a) above, counsel to the indemnified parties shall be selected by the Representative, and, in the case of parties indemnified pursuant to Section 6(b) above, counsel to the indemnified parties shall be selected by the Company. An indemnifying party may participate at its own expense in the defense of any such action; provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 6 or Section 7 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) *Settlement without Consent if Failure to Reimburse.* The indemnifying party shall not be liable for any settlement of any proceeding effect without its written consent but if settled with such consent, the indemnifying party agrees to indemnify each indemnified party from and against any loss or liability by reason of such settlement. Notwithstanding the foregoing, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 6(a)(ii) effected without its written consent if (i) such settlement is entered into more than 60 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 45 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

SECTION 7 Contribution. If the indemnification provided for in Section 6 hereof is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and the Underwriters, on the other hand, from the offering of the Securities pursuant to this Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company, on the one hand, and of the Underwriters, on the other hand, in connection with the statements or omissions, which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Company, on the one hand, and the Underwriters, on the other hand, in connection with the offering of the Securities pursuant to this Agreement shall be deemed to be in the same respective proportions as the total net proceeds from the offering of the Securities pursuant to this Agreement (before deducting expenses) received by the Company, on the one hand, and the total underwriting discount received by the Underwriters, on the other hand, in each case as set forth on the cover of the Prospectus, bear to the aggregate initial public offering price of the Securities as set forth on the cover of the Prospectus.

The relative fault of the Company, on the one hand, and the Underwriters, on the other hand, shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 7. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 7 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 7, no Underwriter shall be required to contribute any amount in excess of the underwriting commissions received by such Underwriter in connection with the Shares underwritten by it and distributed to the public.

No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 7, each person, if any, who controls an Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act and each Underwriter's Affiliates and selling agents shall have the same rights to contribution as such Underwriter, and each director of the Company, each officer of the Company who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company. The Underwriters' respective obligations to contribute pursuant to this Section 7 are several in proportion to the number of Initial Securities set forth opposite their respective names in Schedule A hereto and not joint.

SECTION 8 Representations, Warranties and Agreements to Survive. All representations, warranties and agreements contained in this Agreement or in certificates of officers of the Company or any of its subsidiaries submitted pursuant hereto, shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of any Underwriter or its Affiliates or selling agents, any person controlling any Underwriter, its officers or directors or any person controlling the Company and (ii) delivery of and payment for the Securities.

SECTION 9 Termination of Agreement.

(a) *Termination.* The Representative may terminate this Agreement, by notice to the Company, at any time at or prior to the Closing Time (i) if there has been, in the judgment of the Representative, since the time of execution of this Agreement or since the respective dates as of which information is given in the Registration Statement, the General Disclosure Package or the Prospectus, any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, or (ii) if there has occurred any material adverse change in the financial markets in the United States or the international financial markets, any outbreak of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions, in each case the effect of which is such as to make it, in the judgment of the Representative, impracticable or inadvisable to proceed with the completion of the offering or to enforce contracts for the sale of the Securities, or (iii) if trading in any securities of the Company has been suspended or

materially limited by the Commission or the Nasdaq Global Market, or (iv) if trading generally on the NYSE MKT or the New York Stock Exchange or on the Nasdaq Global Market has been suspended or materially limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by any of said exchanges or by order of the Commission, FINRA or any other governmental authority, or (v) a material disruption has occurred in commercial banking or securities settlement or clearance services in the United States or with respect to Clearstream or Euroclear systems in Europe, or (vi) if a banking moratorium has been declared by either Israeli, United States Federal or New York authorities.

(b) *Liabilities*. If this Agreement is terminated pursuant to this Section, such termination shall be without liability of any party to any other party except as provided in Section 4 hereof, and provided further that Sections 1, 6, 7, 8, 14, 15, 16 and 17 shall survive such termination and remain in full force and effect.

SECTION 10 Default by One or More of the Underwriters. If one or more of the Underwriters shall fail at the Closing Time or a Date of Delivery to purchase the Securities which it or they are obligated to purchase under this Agreement (the "Defaulted Securities"), the Representative shall have the right, within 24 hours thereafter, to make arrangements for one or more of the non-defaulting Underwriters, or any other underwriters, to purchase all, but not less than all, of the Defaulted Securities in such amounts as may be agreed upon and upon the terms herein set forth; if, however, the Representative shall not have completed such arrangements within such 24-hour period, then:

(i) if the number of Defaulted Securities does not exceed 10% of the number of Securities to be purchased on such date, each of the non-defaulting Underwriters shall be obligated, severally and not jointly, to purchase the full amount thereof in the proportions that their respective underwriting obligations hereunder bear to the underwriting obligations of all non-defaulting Underwriters, or

(ii) if the number of Defaulted Securities exceeds 10% of the number of Securities to be purchased on such date, this Agreement or, with respect to any Date of Delivery which occurs after the Closing Time, the obligation of the Underwriters to purchase, and the Company to sell, the Option Securities to be purchased and sold on such Date of Delivery shall terminate without liability on the part of any non-defaulting Underwriter or the Company, except that the Company will continue to be liable for the payment of expenses as set forth in Section 4 hereof and except that the provisions of Sections 6 and 7 hereof shall not terminate and shall remain in effect.

No action taken pursuant to this Section shall relieve any defaulting Underwriter from liability in respect of its default.

In the event of any such default which does not result in a termination of this Agreement or, in the case of a Date of Delivery which is after the Closing Time, which does not result in a termination of the obligation of the Underwriters to purchase and the Company to sell the relevant Option Securities, as the case may be, either the (i) Representative or (ii) the Company shall have the right to postpone Closing Time or the relevant Date of Delivery, as the case may be, for a period not exceeding seven days in order to effect any required changes in the Registration Statement, the General Disclosure Package or the Prospectus or in any other documents or arrangements. As used herein, the term "Underwriter" includes any person substituted for an Underwriter under this Section 10.

SECTION 11 Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Underwriters shall be directed to: Barclays at 745 Seventh Avenue, New York, New York 10019, Attention: Syndicate Registration (Fax: (646) 834-8133); notices to the Company shall be directed to it at Gauzy Ltd, 14 Hathiya Street, Tel Aviv 6816914, Israel, Email: eyal@gauzy.com, meir.peleg@gauzy.com, legal@gauzy.com, Attention: Eyal Peso, Meir Peleg, with a copy to (which shall not constitute notice) Greenberg Traurig, LLP, One Vanderbilt Avenue, New York, NY 10017-3852, Email: mark.selinger@gtlaw, Attention: Mark Selinger, Esq.

SECTION 12 No Advisory or Fiduciary Relationship. The Company acknowledges and agrees that (a) the purchase and sale of the Securities pursuant to this Agreement, including the determination of the initial public offering price of the Securities and any related discounts and commissions, is an arm's-length commercial transaction between the Company, on the one hand, and the several Underwriters, on the other hand, (b) in connection with the offering of the Securities and the process leading thereto, each Underwriter is and has been acting solely as a principal and is not the agent or fiduciary of the Company, any of its subsidiaries or their respective shareholders, creditors, employees or any other party, (c) no Underwriter has assumed or will assume an advisory or fiduciary responsibility in favor of the Company with respect to the offering of the Securities or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising the Company or any of its subsidiaries on other matters) and no Underwriter has any obligation to the Company with respect to the offering of the Securities except the obligations expressly set forth in this Agreement, (d) the Underwriters and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company and (e) the Underwriters have not provided any legal, accounting, regulatory or tax advice with respect to the offering of the Securities and the Company has consulted its own respective legal, accounting, regulatory and tax advisors to the extent it deemed appropriate.

SECTION 13 Recognition of the U.S. Special Resolution Regimes

(a) In the event that any Underwriter that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that any Underwriter that is a Covered Entity or a BHC Act Affiliate of such Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

For purposes of this Section 13, a "BHC Act Affiliate" has the meaning assigned to the term "affiliate" in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k). "Covered Entity" means any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b). **"**Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable. "U.S. Special Resolution Regime" means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

SECTION 14 Parties. This Agreement shall each inure to the benefit of and be binding upon the Underwriters and the Company and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the Underwriters and the Company and their respective successors and the controlling persons and officers and directors referred to in Sections 6 and 7 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the Underwriters and the Company and their respective successors, and said controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Securities from any Underwriter shall be deemed to be a successor by reason merely of such purchase.

SECTION 15 Trial by Jury. The Company (on its behalf and, to the extent permitted by applicable law, on behalf of its shareholders and affiliates) and each of the Underwriters hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

SECTION 16 GOVERNING LAW. THIS AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF, THE STATE OF NEW YORK WITHOUT REGARD TO ITS CHOICE OF LAW PROVISIONS.

SECTION 17 Consent to Jurisdiction; Waiver of Immunity. Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby ("Related Proceedings") shall be instituted in (i) the federal courts of the United States of America located in the City and County of New York, Borough of Manhattan or (ii) the courts of the State of New York located in the City and County of New York, Borough of Manhattan (collectively, the "Specified Courts"), and each party irrevocably submits to the exclusive jurisdiction (except for proceedings instituted in regard to the enforcement of a judgment of any such court (a "Related Judgment"), as to which such jurisdiction is non-

exclusive) of such courts in any such suit, action or proceeding. Service of any process, summons, notice or document by mail to such party's address set forth above shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or other proceeding in the Specified Courts and irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such suit, action or other proceeding brought in any such court has been brought in an inconvenient forum. Each party not located in the United States irrevocably appoints Gauzy USA, Inc. as its agent to receive service of process or other legal summons for purposes of any such suit, action or proceeding that may be instituted in a Specified Court. With respect to any Related Proceeding, each party irrevocably waives, to the fullest extent permitted by applicable law, all immunity (whether on the basis of sovereignty or otherwise) from jurisdiction, service of process, attachment (both before and after judgment) and execution to which it might otherwise be entitled in the Specified Courts, and with respect to any Related Judgment, each party waives any such immunity in the Specified Courts or any other court of competent jurisdiction, and will not raise or claim or cause to be pleaded any such immunity at or in respect of any such Related Proceeding or Related Judgment, including, without limitation, any immunity pursuant to the United States Foreign Sovereign Immunities Act of 1976, as amended.

SECTION 18 TIME. TIME SHALL BE OF THE ESSENCE OF THIS AGREEMENT. EXCEPT AS OTHERWISE SET FORTH HEREIN, SPECIFIED TIMES OF DAY REFER TO NEW YORK CITY TIME.

SECTION 19 Counterparts and Electronic Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement. Electronic signatures complying with the New York Electronic Signatures and Records Act (N.Y. State Tech. §§ 301-309), as amended from time to time, or other applicable law will be deemed original signatures for purposes of this Agreement. Transmission by telecopy, electronic mail or other transmission method of an executed counterpart of this Agreement will constitute due and sufficient delivery of such counterpart.

SECTION 20 Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the Underwriters and the Company in accordance with its terms.

Very truly yours,

GAUZY LTD.

By: _____
Title:

CONFIRMED AND ACCEPTED,
as of the date first above written:

BARCLAYS CAPITAL INC.

BARCLAYS CAPITAL INC.

By: _____
Authorized Signatory

For themselves and as Representative of the other Underwriters named in Schedule A hereto.

SCHEDULE A

The initial public offering price per share for the Securities shall be $[●].

The purchase price per share for the Securities to be paid by the several Underwriters shall be $[●], being an amount equal to the initial public offering price set forth above less $[●] per share, subject to adjustment in accordance with Section 2(b) for dividends or distributions declared by the Company and payable on the Initial Securities but not payable on the Option Securities.

Name of Underwriter	Number of Initial Securities
Barclays Capital Inc.	[●]
Cowen and Company, LLC	[●]
Stifel, Nicolaus & Company, Incorporated	[●]
B. Riley Securities, Inc.	[●]
Beech Hill Securities, Inc.	[●]
Total	[●]

SCHEDULE B-1

Pricing Terms

1. The Company is selling [●] Ordinary Shares.

2. The Company has granted an option to the Underwriters, severally and not jointly, to purchase up to an additional [●] Ordinary Shares.

3. The initial public offering price per share for the Securities shall be $[●].

SCHEDULE B-2

Free Writing Prospectuses

[●].

SCHEDULE C

List of Persons and Entities Subject to Lock-up

Schedule D

Written Testing-the-Waters Communications

[●].

Exhibit A

[DATE]

Barclays Capital, Inc.

as Representative of the several
Underwriters to be named in the
within-mentioned Underwriting Agreement

c/o Barclays Capital, Inc.
745 Seventh Avenue
New York, New York 10019

Re: Proposed Public Offering by Gauzy Ltd.

Dear All:

The undersigned, a shareholder, officer and/or director of Gauzy Ltd., a company organized under the laws of the State of Israel (the "**Company**"), understands that Barclays Capital, Inc. (the "**Representative**") propose to enter into an Underwriting Agreement (the "**Underwriting Agreement**") with the Company providing for the public offering (the "**Public Offering**") of the Company's ordinary shares, par value NIS 1.00 per share (the "**Ordinary Shares**"). In recognition of the benefit that such Public Offering will confer upon the

undersigned as a shareholder, officer and/or director of the Company, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees with each underwriter to be named in the Underwriting Agreement that, during the period beginning on the date hereof and ending on the date that is 180 days from the date of the Underwriting Agreement (the "**Lock-Up Period**"), the undersigned will not, without the prior written consent of the Representative, (i) directly or indirectly, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of any of the Company's Ordinary Shares or any securities convertible into or exercisable or exchangeable for Ordinary Shares, whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition (collectively, the "**Lock-Up Securities**"), or exercise any right with respect to the registration of any of the Lock-Up Securities, or file, cause to be filed or cause to be confidentially submitted any registration statement in connection therewith, under the Securities Act of 1933, as amended, or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Lock-Up Securities, whether any such swap or transaction is to be settled by delivery of Ordinary Shares or other securities, in cash or otherwise.

If the undersigned is an officer or director of the Company, (1) the Representative agrees that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of the Ordinary Shares, the Representative will notify the Company of the impending release or waiver, and (2) the Company has agreed in the Underwriting Agreement to announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver. Any release or waiver granted by the Representative hereunder to any such officer or director shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply if (i) the release or waiver is effected solely to permit a transfer not for consideration and (ii) the transferee has agreed in writing to be bound by the same terms described in this letter to the extent and for the duration that such terms remain in effect at the time of the transfer.

Notwithstanding the foregoing, and subject to the conditions below, and provided that (1) the Representative receives a signed lock-up agreement for the balance of the lockup period from each donee, trustee, distributee, or transferee, as the case may be, (2) any such transfer shall not involve a disposition for value, and (3) the undersigned shall not be required and does not otherwise voluntarily effect any public filing or report regarding such transfers pursuant to the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), the undersigned may, with out the prior written consent of the Representative:

(i) transfer the Lock-Up Securities (a) as a *bona fide* gift or gifts, including, without limitation, to charitable or educational institutions; (b) by will or intestacy or to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned (for purposes of this lock-up agreement, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin); (c) as a distribution to limited partners or shareholders of the undersigned; (d) to the undersigned's affiliates or to any investment fund or other entity controlled or managed by the undersigned; (e) if the undersigned is a trust, to a trustee or beneficiary of the trust or (f) by operation of law, such as pursuant to a qualified domestic order or in connection with a divorce settlement; or

(ii) sell Ordinary Shares purchased by the undersigned from the Underwriters in the Public Offering or on the open market following the effectiveness of the registration statement for the Public Offering; or

(iii) exercise any rights to purchase, exchange or convert any options to purchase Ordinary Shares granted to the undersigned pursuant to the Company's equity incentive plans described in the prospectus for the Public Offering, or any warrants or other securities (including loans) convertible into or exercisable or exchangeable for Ordinary Shares, which warrants or other securities (including loans) are described in the prospectus for the Public Offering, provided that the underlying Ordinary Shares continue to be subject to the restrictions on transfer set forth in this lock-up agreement; or

(iv) transfer Ordinary Shares or any securities convertible into Ordinary Shares to the Company upon a vesting event of the Company's securities or upon the exercise of options to purchase the Company's securities, in each case on a "cashless" or "net exercise" basis or to cover tax obligations of the undersigned in connection with such vesting or exercise, but only to the extent such right expires during the Lock-Up Period, provided that if the undersigned is required to file a report pursuant to the Exchange Act reporting a reduction in beneficial ownership of Ordinary Shares during the Lock-Up Period, the undersigned shall include a statement in such schedule or report to the effect that the purpose of such transfer was to cover tax withholding obligations of the undersigned in connection with such vesting or exercise; or

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(v) establish a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of Lock-Up Securities, provided that (i) such plan does not provide for the transfer of Lock-Up Securities during the Lock-Up Period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by or on behalf of the undersigned or the Company regarding the establishment of such plan, such public announcement or filing shall include a statement to the effect that no transfer of Lock-Up Securities may be made under such plan during the Lock-Up Period; or

(vi) transfer Lock-Up Securities pursuant to a bona fide third party tender offer for the securities of the Company, merger, consolidation or other similar transaction made to all holders of the Ordinary Shares involving a change of control (as defined below) of the Company after the closing of the Public Offering and approved by the Company's board of directors; provided that in the event that the tender offer, merger, consolidation or other such transaction is not completed, the Lock-Up Securities owned by the undersigned shall remain subject to the restrictions contained in this lock-up agreement; provided, further, that all of the Lock-Up Securities owned by the undersigned that are no so transferred, sold, tendered or otherwise disposed of remain subject to this lock-up agreement. For purposes of this clause (xiii), "change of control" shall mean the consummation of any bona fide third party tender offer, merger, amalgamation, consolidation or other similar transaction approved by the board of directors of the Company the result of which is that any "person" (as defined in Section 13(d)(3) of the Exchange Act), or group of persons, becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 of the Exchange Act) of a majority of total voting power of the voting stock of the Company.

Furthermore, the undersigned may sell Ordinary Shares of the Company purchased by the undersigned on the open market following the Public Offering if and only if (i) such sales are not required to be reported in any public report or filing with the Securities and Exchange Commission, or otherwise and (ii) the undersigned does not otherwise voluntarily effect any public filing or report regarding such sales. If the undersigned is an officer or director of the Company, the undersigned further agrees that the foregoing provisions shall be equally applicable to any issuer-directed Securities the undersigned may purchase in the Public Offering, acknowledging that issuer-directed Securities may not be offered in the Public Offering.

The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the Lock-Up Securities except in compliance with the foregoing restrictions.

Whether the Public Offering actually occurs depends on a number of factors, including market conditions. The Public Offering will only be made pursuant to the Underwriting Agreement, the terms of which are subject to negotiation between the Company and the Underwriters. Notwithstanding anything to the contrary contained herein, this lock-up agreement will automatically terminate and the undersigned will be released from all of his, her or its obligations hereunder upon the earliest to occur, if any, of (i) the date the Company advises the Representative in writing, that it has determined not to proceed with the Public Offering, (ii) the date the Company files an application with the SEC to withdraw the registration statement related to the Public Offering, (iii) the date the Underwriting Agreement is terminated prior to payment for and delivery of the Ordinary Shares to be sold thereunder or (iv) May 31, 2024 (the "Outside Date"), in the event that the Underwriting Agreement has not been executed by such date; provided that the Company may, by written notice to the undersigned on or prior to the Outside Date, extend the Outside Date for a period of up to an additional three months.

This agreement shall be governed by and construed in accordance with the laws of the State of New York.

[*Remainder of Page Intentionally Left Blank*]

Very truly yours,

Signature: _____

Print Name: _____

[*Signature Page to Lock-Up Agreement*]

Exhibit B

FORM OF PRESS RELEASE
TO BE ISSUED PURSUANT TO SECTION 3(j)

Gauzy Ltd.
[Date]

Gauzy Ltd. (the "Company") announced today that Barclays Capital Inc., the lead book-running manager[s] in the Company's recent public sale of [●] ordinary shares, is [waiving] [releasing] a lock-up restriction with respect to [●] of the Company's ordinary shares held by [certain officers or directors] [an officer or director] of the Company. The [waiver] [release] will take effect on [●], 20[●], and the shares may be sold on or after such date.

This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.

Exhibit 3.1

THE COMPANIES LAW - 1999

A COMPANY LIMITED BY SHARES

AMENDED AND RESTATED ARTICLES OF ASSOCIATION

OF

GAUZY LTD.

Adopted by the Shareholders on May 15, 2024

Preliminary

1. Definitions.

1.1 Capitalized terms used in these Articles shall bear the meanings ascribed to such terms as set forth in this Article 1, unless inconsistent with the context:

Term	Definition
Affiliate	With respect to any person, is any other person, which, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such person. For the purposes of these Articles, "**Control**" shall mean with respect to any entity, the power to elect the majority of the directors of a person or otherwise to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities, by contract or otherwise, including without limitation the ownership of the majority of the voting stock of any such entity. The term "**Controlled**" shall have a correlative meaning.
Articles	These Amended and Restated Articles of Association as amended from time to time as provided for herein.
Auditors	The auditors of the Company.
ADI	Avery Dennison Israel Ltd. (or its successor) and each of its Permitted Transferees that is a successor to its shares.
Blue-Red	Blue-Red Capital Fund LP, a limited liability partnership registered in the Cayman Islands.
Board of Directors	The Board of Directors of the Company.
Chairman	The Chairman of the Board of Directors, as may be appointed from time to time (if appointed).
Companies Law	The Companies Law, 5759-1999, or any statutory re-enactment or modification thereof being in force at the time; and any reference to any section or provision of the Companies Law shall be deemed to include a reference to any statutory re-enactment or modification thereof being in force at the time.
Companies Ordinance	The Companies Ordinance (New Version), 5743-1983, or any statutory re-enactment or modification thereof being in force at the time; and any reference to any section or provision of the Companies Ordinance shall be deemed to include a reference to any statutory re-enactment or modification thereof being in force at the time.
Company	Gauzy Ltd.
Deemed Liquidation	(i) a sale, license (which has the same effect or economic impact as the disposition or sale of all or substantially all of the assets of the Company) or other disposition of all or a substantial majority of the assets of the Company, (ii) an exclusive license of all or a substantial majority of the Company's intellectual property, (iii) a merger of the Company in which the shareholders of the Company immediately prior to such merger do not hold a majority of the shares and voting rights of the surviving entity, or (iv) any transaction or series of transactions in which a person or entity or group of person or entities acquire more than fifty percent (50%) of the issued and outstanding shares of the Company, on an as-converted basis; *provided*, *however*, that neither (A) a bona fide private equity financing of the Company whose purpose is the financing of the Company's ongoing activities, nor (B) a reincorporation transaction whose sole purpose is the changing of the Company's domicile in which the Company's then-current shareholders retain full ownership in the acquiring entity in accordance to their respective holdings just prior to the reincorporation, shall constitute a Deemed Liquidation.

Designated IPO	(i) A non-Qualified IPO, unless a Preferred Supermajority votes against the approval of such non-Qualified IPO; and (ii) a Qualified IPO.
Director(s)	The member(s) of the Board of Directors elected or appointed in accordance with these Articles holding office at any given time.
Distribution	Any distribution of dividends in cash or in kind and any Repurchase directly or indirectly, by the Company.
CLA	The Convertible Loan Agreement by and among the Company and the Lenders (as defined therein), dated as of March 31, 2023 including the form of warrant attached thereto as Exhibit A.
Entitled Holder	Each: (i) Preferred Shareholder; and (ii) Ordinary Shareholder holding shares of the Company reflecting at least 2% of the Company's issued and outstanding shares, on an as-converted basis.

Exempted Securities	Any securities issued: (i) to directors or employees of or consultants, contractors or advisors to, the Company or its wholly-owned subsidiaries (if any) in connection with their service to the Company or its wholly-owned subsidiaries, pursuant to a share incentive plan or agreement approved in advance by the Board of Directors with the affirmative vote of the Investor Director; (ii) upon share splits, share dividend, reclassification and similar recapitalization events that apply proportionately to all outstanding shares; (iii) as part of an acquisition by the Company of another entity, as approved by the majority of the Directors, *provided* that such majority includes the affirmative vote of the majority of the Investor Directors; (iv) with respect to which the Preferred Majority has resolved that such issuances shall be an issuance of an Exempted Security; (v) as part of credit arrangements with Financial Institutions pursuant to credit arrangements entered into primarily for non-equity financing purposes, approved by the majority of the Directors, *provided* that such majority includes the majority of Investor Directors, *provided, further*, that all securities issued as exempted under this clause (v) shall not exceed in value, in the aggregate, ten percent (10%) of the aggregate credit facilities made available under such arrangements and shall not exceed five percent (5%) of the Company's issued and outstanding shares, on an as converted basis, at the time of issuance; (vi) issuance of Preferred D Class Shares and Warrants pursuant to the Series D SPA; (vii) upon conversion of any securities issued under clauses (i) - (vi) above; (viii) issuance or conversion of the Preferred Debt Class Shares and warrants pursuant to the CLA; and (ix) solely with respect to Article 15 (and not, for the avoidance of any doubt, with respect to Article 10.3.5), in an IPO.

Financial Institution	Bank Institution, as such term is defined in the Banking (Licensing) Law, 5741-1981; and Institutional Body as such term is defined in the Control of Financial Services (Insurance) Law, 5741-1961.
Founders	Eyal Peso, Adrian Lofer, and Dimitry Dobrenko.
Ibex	Ibex Partners (Gauzy) LP, Ibex Israel Fund LLLP and Ibex Partners (MW) LLLP and each of their Permitted Transferees that is a successor to their shares.
in writing	Written, printed, photocopied, typed, sent via email, facsimile or produced by any visible substitute for writing, or partly one and partly another, and signed shall be construed accordingly.
Investors Directors	The Directors appointed by Ibex, Olive Tree and ADI in accordance with the provisions ofArticle 46 and holding office at any given time.
Infinity	Infinity Holding Ventures PTE. Limited and each of their Permitted Transferees that is a successor to their shares
IPO	The initial underwritten public offering of Ordinary Shares of the Company pursuant to an effective registration statement under the United States Securities Act of 1933, as amended, or equivalent law of another jurisdiction on an internationally-recognized stock exchange (or such other stock exchange as may be approved by the Preferred Majority) (each, a "**Recognized Exchange**").
Majority Investors Directors	The majority of the Investor Directors.
New Preferred D Shareholders	The holders of Preferred D Class Shares purchased pursuant to the Series D SPA and which did not hold any other Shares prior to their investment pursuant to the Series D SPA.
New Preferred D Shareholders Majority	The majority of Preferred D Class Shares held by the New Preferred D Shareholders.
New Securities	Any shares in the Company, whether now or hereafter authorized, and any rights, options or warrants to purchase such shares, and securities of any type or nature whatsoever that are convertible or exercisable, directly or indirectly, into such shares, other than Exempted Securities.

Office	The Registered Office of the Company at any given time.
Officer ('*Nose Misra*')	As such term is defined in the Companies Law.
Olive Tree	Olive Tree V Limited Partnership and each of its Permitted Transferees that is a successor to its shares.
Ordinary Shareholder	The holder of any Ordinary Shares.
Ordinary Shares	The ordinary shares of the Company, par value of NIS 1.00 per share.
Original Issue Price	US$23.536 for the Preferred A Shares; US$23.679 for the Preferred A-1 Shares; US$17.081 for the Preferred A-2 Shares; US$25.97 for the Preferred A-3 Shares; US$32.12 for the Preferred B Shares; US$67.2672 for the Preferred C Shares. For the Preferred D Shares, the Original Issue Price shall be US$137.36 and for the Preferred D-1 Shares, the Original Issue Price shall be US$151.09; *provided however* that such figures shall be subject to adjustment from time to time in accordance with these Article 10.3.6 below, the Series D SPA and (in the case of the Preferred D-1 Shares) the Warrants. For the Preferred Debt Class Shares, the Original Issue Price shall be the price per share upon conversion pursuant to the CLA; solely with respect to the Preferred D-5 Shares and the Preferred D-6 Shares, the Original Issue Price shall be the exercise price of such shares as determined in accordance with the terms of warrants issued by the Company for the issuance and purchase of such shares.
Preferred A Shares	The Series A convertible preferred shares of the Company, par value of NIS 1.00 per share.
Preferred A-1 Shares	The Series A-1 convertible preferred shares of the Company, par value of NIS 1.00 per share.
Preferred A-2 Shares	The Series A-2 convertible preferred shares of the Company, par value of NIS 1.00 per share.

Preferred A-3 Shares	The Series A-3 convertible preferred shares of the Company, par value of NIS 1.00 per share.

Preferred B Shares	The Series B convertible preferred shares of the Company, par value of NIS 1.00 per share.
Preferred C Shares	The Series C convertible preferred shares of the Company, par value of NIS 1.00 per share.
Preferred D Class Shares	The Preferred D Shares and the Preferred D-1 Shares.
Preferred D Holder	A holder of Preferred D Shares or Preferred D-1 Shares.
Preferred D Shares	The Series D convertible preferred shares of the Company, par value of NIS 1.00 per share.
Preferred D-1 Shares	The Series D-1 convertible preferred shares of the Company, par value of NIS 1.00 per share.
Preferred Debt Majority	The holders of at least fifty-one percent (51%) of the issued and outstanding Preferred Debt Class Shares
Preferred Debt Class Shares	The Preferred D-2 Shares, the Preferred D-3 Shares, the Preferred D-4 Shares, the Preferred D-5 Shares, and the Preferred D-6 Shares.
Preferred Debt Holder	A holder of Preferred D-2 Shares, the Preferred D-3 Shares, the Preferred D-4 Shares, the Preferred D-5 Shares, or the Preferred D-6 Shares.
Preferred D-2 Shares	The Series D-2 convertible preferred shares of the Company, par value of NIS 1.00 per share.
Preferred D-3 Shares	The Series D-3 convertible preferred shares of the Company, par value of NIS 1.00 per share.
Preferred D-4 Shares	The Series D-4 convertible preferred shares of the Company, par value of NIS 1.00 per share.
Preferred D-5 Shares	The Series D-5 convertible preferred shares of the Company, par value of NIS 1.00 per share.
Preferred D-6 Shares	The Series D-6 convertible preferred shares of the Company, par value of NIS 1.00 per share.
Preferred Majority	The holders of at least fifty-one percent (51%) of the issued and outstanding Preferred Shares.

Preferred Shares	The Preferred A Shares, Preferred A-1 Shares, Preferred A-2 Shares, Preferred A-3 Shares, Preferred B Shares, Preferred C Shares, Preferred D Shares, Preferred D-1 Shares, Preferred D-2 Shares, Preferred D-3 Shares, Preferred D-4 Shares, Preferred D-5 Shares, and Preferred D-6 Shares.
Preferred Shareholder	The holder of any Preferred A Shares, Preferred A-1 Shares, Preferred A-2 Shares, Preferred A-3 Shares Preferred B Shares, Preferred C Shares, Preferred D Shares, Preferred D-1 Shares, Preferred D-2 Shares, Preferred D-3 Shares, Preferred D-4 Shares, Preferred D-5 Shares, and Preferred D-6 Shares.
Preferred Supermajority	The holders of at least sixty-six percent (66%) of the issued and outstanding Preferred Shares.
Purchasers Shares	The Preferred D Shares issued to the investors under and pursuant to the Series D SPA (‘**Purchasers**”).
Recapitalization Event	Any event of share combination or subdivision, distribution of bonus shares or any other reclassification, reorganization or recapitalization of the Company’s shares where the Shareholders retain their proportionate holdings in the Company on an as-converted basis.
Register of Shareholders	The Register of Shareholders of the Company administered in accordance with the provisions of Section 127 of the Companies Law.
Repurchase	The purchase or redemption or the provision of financing for the purchase or redemption, directly or indirectly, by the Company or by a subsidiary of the Company or other corporate entity under the Company’s control, of shares of the Company or securities convertible into or exercisable for shares of the Company, other than any repurchase in accordance with any repurchase right granted to the Company under any equity incentive plan adopted by the Company or repurchase agreements entered into with Founders and any employee or service provider of the Company.
Securities Law	The Israeli Securities Law, 5728-1968.
Qualified IPO	An (i) IPO yielding net proceeds to the Company of at least US$50,000,000 and reflecting a pre-money Company valuation as the Board of Directors shall approve or (ii) a SPAC Transaction in which the combined company’s net cash position after the merger is increased by at least US$50,000,000 (including funds from the SPAC entity and/or a concurrent PIPE investment) and which reflects a pre-money Company valuation as the Board of Directors shall approve.

Series A SPA	The Series A Preferred Share Purchase Agreement by and among the Company, the Founders, the Investors (as defined therein) and Sollange Investments Ltd., dated as of October 25, 2016 as amended on September 19, 2017.
Series D SPA	The Series D Securities Purchase Agreement by and among the Company and the Investors (as defined therein), dated as of December 17, 2021.
Shareholders	The shareholders of the Company, at any given time.
SLO	South Lake One LLC, a Delaware limited liability company.
SPAC Transaction	A transaction between the Company and/or its Shareholders on the one hand, and a special purpose acquisition company (“**SPAC**”) on the other hand, following which the Ordinary Shares of the Company are either publicly traded on a Recognized Exchange or entitle an exchange of such shares for shares that are publicly traded on a Recognized Exchange (or another kind of transaction structure with a SPAC having substantially the same result).
Target Value	US$450,000,000.
Walleye	Walleye Capital and each of its Permitted Transferees that is a successor to its shares.

Warrant Shares	The Preferred D-1 Shares which may be issued upon the exercise of warrants to purchase such shares granted by the Company to any holder thereof pursuant to the Series D SPA ("**Warrants**").
Year	Calendar year commencing on January 1st and ending on December 31st.

1.2 Words denoting the singular number shall include the plural number and vice versa; words denoting the masculine gender shall include the feminine gender; words denoting persons shall include corporations.

1.3 Save as aforesaid, any words or expressions defined in the Companies Law or in the Companies Ordinance (to the extent still in effect according to the provisions of the Companies Law), shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

1.4 The captions in these Articles are for convenience only and shall not be deemed a part hereof or affect the construction of any provision hereof.

1.5 For purposes of these Articles, the phrase "**on an as-converted basis**" shall mean that with respect to any given right in question, and for any calculation of shareholdings in the Company, Preferred Shares shall be calculated and treated as, and have the effect of, such number of Ordinary Shares into which such Preferred Shares are convertible at that time.

1.6 All Shares held (beneficially or of record), at the time of applicable calculation, by a Shareholder, and all other Shareholders who are Permitted Transferees of such Shareholder (a "**Shareholder Group**"), shall be aggregated together for the purpose of determining (i) whether such Shareholder constitutes an Entitled Holder and (ii) the availability to such holders of any other rights under these Articles, and the rights of an Entitled Holder and such other rights - to the extent they are determined to be available at such time - may be exercised (up to the maximum extent so determined to be available in the aggregate to all such Shareholders) by any, some or all of such Shareholders who are part of such Shareholder Group.

1.7 In the event that a Hebrew version of these Articles is filed with any regulatory or governmental agency, including the Israeli Registrar of Companies, then whether such Hebrew version contains signatures of Shareholders, such Hebrew version shall be considered solely a convenience translation and shall have no binding effect, as between the Shareholders of the Company and with respect to any third party. The English version shall be the only binding version of these Articles, and in the event of any contradiction or inconsistency between the meaning of the English version and the meaning of the Hebrew version of these Articles, the Hebrew version shall be disregarded, shall have no binding effect and shall have no impact on the interpretation of these Articles or any provision hereof.

2. Certain Limitations.

The following limitations shall apply to the Company:

2.1 the right to transfer Shares is restricted in the manner hereinafter prescribed;

2.2 the number of Shareholders (exclusive of persons who are in the employment of the Company, or of persons who having been formerly in the employment of the Company were, while in such employment, and have continued after the termination of such employment to be, Shareholders of the Company) is limited to fifty (50); *provided* that where two or more persons hold one or more shares in the Company jointly they shall, for the purpose of this Article, be treated as a single Shareholder; and

2.3 any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.

Limited Liability

3. The Company is a limited liability company and therefore each Shareholder's obligations to the Company shall be limited to the payment of the par value of the shares held by such Shareholder, subject to the provisions of the Companies Law; *provided, however*, that if at any time the Company shall issue shares with no par value, or for consideration which is below the par value, the liability of that Shareholder in respect of each share issued to it will be limited to the payment of the lower of: (i) NIS 0.01, and (ii) the consideration such Shareholder agreed to pay to the Company for the issuance of such share and which remains unpaid.

Company's Objectives

4. The Company's objectives are to carry on any business, and do any act, which is not prohibited by law.

5. The Company may donate a reasonable amount of money for any purpose that the Board of Directors finds appropriate, even if the donation is not for business considerations for the purpose of achieving profits to the Company.

Authorized Number of Shares

6. Authorized Shares.

The authorized share capital of the Company shall be NIS 11,205,,000 comprised of an aggregate of 11,205,000 shares, divided into: 7,268,742 Ordinary Shares, 305,912 Preferred A Shares, 53,674 Preferred A-1 Shares, 58,544 Preferred A-2 Shares, 418,128 Preferred A-3 Shares, 100,000 Preferred B Shares, 500,000 Preferred C Shares, 715,000 Preferred D Shares, 465,000 Preferred D-1 Shares, 375,000 Preferred D-2 Shares, 200,000 Preferred D-3 Shares, 285,000 Preferred D-4 Shares, 375,000 Preferred D-5 Shares, and 85,000 Preferred D-6 Shares. The Ordinary Shares, the Preferred A Shares, the Preferred A-1 Shares, the Preferred A-2 Shares, the Preferred A-3 Shares, the Preferred B Shares, the Preferred C Shares, the Preferred D Shares, the Preferred D-1 Shares, the Preferred D-2 Shares, the Preferred D-3 Shares, the Preferred D-4 Shares, the Preferred D-5 Shares, the Preferred D-6 Shares, shall be collectively referred to herein as the "**Shares**". The powers, preferences, rights, restrictions and other matters relating to the Shares of the Company are set forth in these Articles.

7. Increase of Number of Authorized Shares.

Subject to and in addition to any other special requirement set forth in these Articles conferring special rights as to voting, or restricting the right to vote (including but not limited to pursuant to the provisions of Articles 82 through 84), the Company may, from time to time, by a Shareholders resolution, whether or not all the shares then authorized have been issued, and whether or not all the shares theretofore issued have been called up for payment, increase the number of its authorized shares by the creation of new shares. Any such increase shall be in such number and shall be divided into shares of such classes, and such shares shall confer such rights and preferences (subject to the special rights conferred upon any existing classes of shares), and shall be subject to such restrictions, as the Shareholders' resolution shall provide.

8. Consolidation, Subdivision, Cancellation and Reduction of Authorized Shares.

8.1 Subject to and in addition to any other special requirement set forth in these Articles (including but not limited to pursuant to the provisions ofArticles 82 through 84), and in accordance with the applicable provisions of the Companies Law, the Company may, by a Shareholders' resolution, from time to time:

8.1.1 consolidate all or any of its issued or unissued shares into a smaller number of shares;

8.1.2 subdivide its shares (issued or unissued) or any of them, into a smaller number of shares, and the resolution whereby any share is subdivided may determine that, as among the holders of the shares resulting from such subdivision, one or more of the shares may, in contrast to others, have any such preferred or deferred rights or rights of redemption or other special rights, or be subject to any such restrictions, as the Company may attach to unissued or new shares;

8.1.3 cancel any shares which, at the date of the adoption of such resolution, have not been taken or agreed to be taken by any person, and diminish the number of its authorized shares by the amount of the shares so canceled; or

8.1.4 reduce its authorized number of shares in any manner.

8.2 With respect to any consolidation of issued shares into a smaller number of shares, and with respect to any other action which may result in fractional shares, the Board of Directors may settle any difficulty which may arise with regard thereto, as it deems fit, including, inter alia, resort to one or more of the following actions:

8.2.1 determine, as to the holder of shares so consolidated, which issued shares shall be consolidated into each share;

8.2.2 allot, in contemplation of or subsequent to such consolidation or other action, such shares or fractional shares sufficient to preclude or remove fractional shareholdings;

8.2.3 redeem, in the case of redeemable shares, and subject to applicable law, such shares or fractional shares sufficient to preclude or remove fractional shareholdings; and

8.2.4 cause the transfer of fractional shares by certain Shareholders to other Shareholders so as to most expediently preclude or remove any fractional shareholdings, and cause the transferees to pay the transferors the fair value of fractional shares so transferred, and the Board of Directors is hereby authorized to act as agent for the transferors and transferees with power of substitution for purposes of implementing the provisions of this Article 8.2.4; and

8.2.5 cancel any securities that are repurchased by the Company, in accordance with Section 308 of the Companies Law.

Shares

9. Rights Attached to Ordinary Shares.

9.1 Each Ordinary Share in respect of which all calls have been fully paid, shall confer on its holder the right to receive notice of, and to participate and vote in, all General Meetings (as such term is defined in the Companies Law), to receive dividends, and to participate in the distribution of the assets and funds of the Company legally available for distribution to such Shareholder in the event of the liquidation, dissolution or winding up of the Company as set forth in these Articles.

9.2 Ordinary Shares subject to redemption or repurchase by the Company pursuant to a written instrument between the Company and the holder thereof, may be, subject to the provisions of the Companies Law, redeemed or repurchased by the Company pursuant to the terms set forth in the applicable written instrument.

10. Rights Attached to Preferred Shares.

The Preferred Shares shall confer upon the holders thereof all of the rights accruing to holders of Ordinary Shares, on an as-converted basis, and, in addition, shall confer the following powers, preferences and rights and any other special rights set forth in these Articles:

10.1 Voting Rights.

Subject to any provision hereof conferring special rights as to voting, or restricting the right to vote (including but not limited to pursuant to the provisions of Articles 82 through 84), each holder of Preferred Shares shall have one vote for each Ordinary Share into which the Preferred Shares held by such holder of record could be converted (with any fractional share determined on an aggregate basis for each single holder, being rounded to the nearest whole share with one half of a share being rounded up), on every resolution, regardless of whether the vote thereon is conducted by a show of hands, by written consent in lieu of a meeting or by any other means, on all matters entitled to be voted on by the Shareholders or by the Preferred Shareholders voting together as a single class, or by the holders of a particular class of Preferred Shares (except as otherwise expressly provided herein or as required by law).

10.2 Distribution Preference. Unless otherwise agreed to in writing by the Preferred Debt Majority, in the event (i) of any dissolution, liquidation or winding-up of the Company, (ii) any bankruptcy, insolvency or reorganization proceeding under any bankruptcy or insolvency or similar law, whether voluntary or involuntary, is properly commenced against the Company and is not annulled or revoked within forty-five (45) days, or is commenced by the Company, (iii) a receiver or liquidator is appointed to all or substantially all of the Company's assets and such appointment is not withdrawn or vacated within forty-five (45) days ((i), (ii) and (iii) above, collectively, a "**Liquidation**"), or (iv) a Distribution, then the assets or proceeds available for distribution to the shareholders (the "**Distributable Proceeds**") shall be distributed among the shareholders on a pro rata basis amongst themselves (on an as-converted basis) according to the following order of preference:

10.2.1 First, the Preferred Debt Holders shall be entitled to receive, from the Distributable Proceeds, on a pro-rata, *pari passu* basis (on an as-converted basis) among the holders of the Preferred Debt Class Shares, prior and in preference to the holders of all other classes of Shares, for each Preferred Debt Class Share held by them, (I) an amount equal to (x) the Original Issue Price of each Preferred Debt Class Share (as adjusted for any recapitalization, share combinations, share dividends, share splits and the like with respect to such shares) *multiplied by* (y) with respect to the Preferred D-2 Shares and the Preferred D-3 Shares, 1.5, and with respect to the Preferred D-4 Shares, the Preferred D-5 Shares, and the Preferred D-6 Shares, 2, *plus* (II) any declared and unpaid dividend, from the date of issuance of such share until the date of Distribution of such Distributable Proceeds, less (III) any amount previously paid in respect of the Preferred Debt Class Shares pursuant to this Distribution preference (the "**Preferred Debt Preference Amount**"); In the event that the Distributable Proceeds shall be insufficient for the distribution of the Preferred Debt Preference Amount in full to all of the Preferred Debt Holders, the Distributable Proceeds shall be distributed among the Preferred Debt Holders on a pro rata basis in proportion to the amounts such holders would have received had the remaining Distributable Proceeds been sufficient for the distribution of the Preferred Debt Preference Amount in full.

10.2.2 Second, the Preferred D Holders shall be entitled to receive, from the Distributable Proceeds, on a pro-rata, *pari passu* basis (on an as-converted basis) among the holders of the Preferred D Class Shares, prior and in preference to the holders of the Preferred C Shares, the Preferred B Shares, the Preferred A-3 Shares, the Preferred A-2 Shares, the Preferred A-1 Shares, the Preferred A Shares and the holders of Ordinary Shares, for each Preferred D Class Share held by them, (I) an amount equal to (x) the Original Issue Price of each Preferred D Class Share (as adjusted for any recapitalization, share combinations, share dividends, share splits and the like with respect to such shares) times (y) 1.3, plus (II) any declared and unpaid dividend, from the date of issuance of such share until the date of Distribution of such Distributable Proceeds, less (III) any amount previously paid in respect of the Preferred D Class Shares pursuant to this Distribution preference (the "**Preferred D Preference Amount**"); In the event that the Distributable Proceeds shall be insufficient for the distribution of the Preferred D Preference Amount in full to all of the Preferred D Holders, the Distributable Proceeds shall be distributed among the Preferred D Holders on a pro rata basis in proportion to the amounts such holders would have received had the remaining Distributable Proceeds been sufficient for the distribution of the Preferred D Preference Amount in full.

10.2.3 Third, the holders of Preferred C Shares (the "**Preferred C Holders**"), following payment in full of the Preferred D Preference Amount, shall be entitled to receive, from the Distributable Proceeds, on a pro-rata, *pari passu* basis (on an as-converted basis) among the holders of the Preferred C Shares, prior and in preference to the holders of the Preferred B Shares, the Preferred A-3 Shares, the Preferred A-2 Shares, the Preferred A-1 Shares, the Preferred A Shares and the holders of Ordinary Shares, for each Preferred C Share held by them, an amount equal to the Original Issue Price of each Preferred C Share (as adjusted for any recapitalization, share combinations, share dividends, share splits and the like with respect to such shares), plus any declared an unpaid dividend, from the date of issuance of such share until the date of Distribution of such Distributable Proceeds, less any amount previously paid in respect of the Preferred C Shares pursuant to this Distribution preference (the "**Preferred C Preference Amount**"); In the event that the Distributable Proceeds shall be insufficient for the distribution of the Preferred C Preference Amount in full to all of the Preferred C Holders, the Distributable Proceeds shall be distributed among the Preferred C Holders on a pro rata basis in proportion to the amounts such holders would have received had the remaining Distributable Proceeds been sufficient for the distribution of the Preferred C Preference Amount in full.

10.2.4 Thereafter, after payment in full of the Preferred D Preference Amount and the Preferred C Preference Amount, the remaining Distributable Proceeds, if any, shall be distributed pro-rata (treating the Preferred Shares on an as-converted basis) among all the holders of all Preferred Shares (other than the Preferred Debt Class Shares, the Preferred D Class Shares and the Preferred C Shares which will receive Distributions pursuant to Articles 10.2.1, 10.2.2 and 10.2.3) and the holders of Ordinary Shares.

10.2.5 Notwithstanding the foregoing, in the event the Distributable Proceeds are in an amount which - had all of the Preferred Debt Class Shares, Preferred D Class Shares and Preferred C Shares been converted into Ordinary Shares immediately prior to such Distribution, and all Distributable Proceeds distributed among all holders of Shares of the Company on a pro-rata basis - would provide an amount of Distributable Proceeds to the Preferred Debt Holders, Preferred D Holders and the Preferred C Holders equal to or greater than the Preferred Debt Preference Amount, Preferred D Preference Amount and the Preferred C Preference Amount, then all Distributable Proceeds shall be distributed amongst all holders of Shares of the Company on a pro-rata basis and Sections 10.2.1, 10.2.2, and 10.2.3 shall not apply.

10.2.6 Allocation of Escrow and Contingent Consideration. In the event of a Deemed Liquidation, if any portion of the consideration payable to the Shareholders of the Company is payable only upon satisfaction of contingencies (the "**Additional Consideration**"), the definitive agreement shall provide that (a) the portion of such consideration that is not Additional Consideration (such portion, the "**Initial Consideration**") shall be allocated among the Shareholders of the Company in accordance with this Article 10.2 as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation; and (b) any Additional Consideration which becomes payable to the Shareholders of the Company upon satisfaction of such contingencies shall be allocated among the shareholders of the Company in accordance with this Article 10.2 after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Article 10.2.5, consideration placed into escrow or retained as holdback to be available for satisfaction of indemnification or similar obligations in connection with such Deemed Liquidation shall be deemed to be Additional Consideration.

10.2.7 The provisions of this Article 10.2 shall apply to a distribution of the Distributable Proceeds received by the Company or the Shareholders in connection with a Deemed Liquidation. In any Deemed Liquidation in which the Shareholders (and not the Company) are the intended recipients of the proceeds resulting therefrom, the Company will not register or otherwise give effect to any transfer of securities pursuant to such Deemed Liquidation, nor will any such transfer of securities be considered valid - unless appropriate measures have been taken in order to ensure the full implementation of the provisions of this Article 10.2.

10.2.8 If the amount deemed paid or distributed under this Article 10.2, or any part thereof, is made in property other than in cash, then the value of such distribution shall be the fair market value of such property, determined as follows:

10.2.9 For securities not subject to restrictions on free marketability,

10.2.9.1 if traded on a securities exchange or the NASDAQ Stock Market, the value shall be deemed to be the average of the closing prices of the securities on such exchange or market over the twenty (20) trading day period ending three (3) trading days prior to the date of distribution; or

10.2.9.2 if actively traded over-the-counter, the value shall be deemed to be the average of the closing bid prices over the twenty (20) trading day period ending three (3) trading days prior to the date of distribution; or

10.2.9.3 if there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the Board.

10.2.10 The valuation of securities subject to restrictions on free marketability shall be determined in good faith by the Board with the consent of at least one Preferred Director.

10.2.11 The valuation of any property other than cash shall be computed at the fair value of that property as reasonably determined in good faith by the Board.

10.3 Conversion Rights.

10.3.1 *Right to Convert.* Subject to the applicable provisions of the Companies Law, each Preferred Share shall be convertible at the option of the holder thereof, at any time after the date of issuance of such share, into such number of duly and validly issued, fully paid and non-assessable Ordinary Shares as is determined by dividing the applicable Original Issue Price by the Preferred Conversion Price (as defined below) at the time in effect for the relevant Preferred Share. The Preferred Conversion Price with respect to a particular Preferred Share shall initially be the applicable Original Issue Price of such Preferred Share; *provided, however*, that the Preferred Conversion Price for each Preferred Share shall be subject to adjustments as provided below (the "**Preferred Conversion Price**").

10.3.2 *Automatic Conversion.* Each Preferred Share shall automatically be converted, without payment of additional consideration by the holder thereof, at the then applicable conversion ratio (subject to adjustment as set forth below) into Ordinary Shares immediately upon the earlier to occur of (i) a Designated IPO, and (ii) written consent or written agreement or affirmative vote of the Preferred Majority.

10.3.3 *Special Mandatory Conversion.*

10.3.3.1 *Trigger Event*. In the event that a Preferred Shareholder does not participate in a Qualified Financing (as defined below), by purchasing in the aggregate, in such Qualified Financing, and within the time period specified by the Company (*provided* that, the Company has sent to each Preferred Shareholder at least fourteen (14) days written notice of, and the opportunity to purchase its Required Portion (as defined below) of the Offered Securities (as defined below) in such Qualified Financing), such holder's Required Portion of the Offered Securities in such Qualified Financing, then the Applicable Portion (as defined below) of the Preferred Shares held by such Preferred Shareholder shall automatically, and without any further action on the part of such Preferred Shareholder or the Company, be converted into Ordinary Shares at the Preferred Conversion Price in effect immediately prior to the consummation of such Qualified Financing, effective upon, subject to, and concurrently with, the consummation of the Qualified Financing. For purposes of determining the number of Preferred Shares owned by a Preferred Shareholder, and for determining the Required Portion of Preferred Shareholder with respect to the Offered Securities in a Qualified Financing, in each case, all Preferred Shares held by Affiliates of such Preferred Shareholder shall be aggregated with such Preferred Shareholder shares and any portion of the Offered Securities purchased by any Affiliates of such Preferred Shareholder shall be aggregated with any portion of Offered Securities purchased by such Preferred Shareholder (*provided* that no Preferred Shares shall be attributed to more than one (1) entity or person within any such group of affiliated entities or persons). Such conversion is referred to as a "**Special Mandatory Conversion**."

10.3.3.2 *Definitions*. For purposes of this Article 10.3.3, the following definitions shall apply:

10.3.3.2.1 "**Applicable Portion**" shall mean, with respect to any Preferred Shareholder, such number of Preferred Shares calculated by multiplying the aggregate number of Preferred Shares held by such Preferred Shareholder immediately prior to the relevant Qualified Financing by a fraction, the numerator of which is equal to the amount, by which such Preferred Shareholder's Required Portion exceeds the number of Offered Securities actually purchased by such Preferred Shareholder (or its Affiliates) in such Qualified Financing, and the denominator of which is equal to such Preferred Shareholder's Required Portion;

10.3.3.2.2 "**Offered Securities**" shall mean a class of shares or such other securities of the Company to be offered by a notice to the Preferred Shareholders in connection with a Qualified Financing; and

10.3.3.2.3 "**Required Portion**" shall mean, with respect to a Preferred Shareholder, either (A) if such Qualified Financing is based on total securities being offered, such number of Offered Securities calculated by multiplying the aggregate number of Offered Securities by a fraction, the numerator of which is equal to the number of Preferred Shares owned by such holder, and the denominator of which is equal to the aggregate number of outstanding shares of Preferred Shares; or (B) if such Qualified Financing is based on total amount being invested in the Company, such investment (including debt) amount calculated by multiplying the aggregate amount to be invested (including debt) in the Company in such Qualified Financing, by a fraction, the numerator of which is equal to the number of Preferred Shares owned by such holder, and the denominator of which is equal to the aggregate number of outstanding shares of Preferred Shares.

10.3.3.2.4 "**Qualified Financing**" shall mean any transaction involving the issuance or sale of securities of the Company that would result in at least $20,000,000 in gross proceeds to the Company, including by way of convertible debt, and which: (i) the Board resolved shall be subject to the provisions of Article 10.3.3.1 and such other terms as it may determine in its sole discretion; and (ii) the Preferred Supermajority did not object that such transaction be treated as a Qualified Financing for purposes of Article 10.3.3.1.

10.3.4 *Mechanics of Conversion*. In the case of a Special Mandatory Conversion, or conversion under Article 10.3.1 or 10.3.2(ii), the conversion shall be deemed to occur immediately upon the business day specified in a written notice of conversion received from the Company, or by the Company from the converting holder or the Preferred Majority, as applicable, and the Person(s) entitled to receive the Ordinary Shares issuable upon such conversion shall be treated for all purposes as the record holder of such Ordinary Shares as of such date. In case of conversion under Article 10.3.2(i), the conversion shall be deemed to occur immediately prior to and contingent upon the closing of the Designated IPO, and the person(s) entitled to receive the Ordinary Shares issuable upon such conversion shall be treated for all purposes as the record holder of such Ordinary Shares as of such date. From and after conversion, any share certificates evidencing the converted Preferred Shares shall be deemed cancelled and shall only evidence the Ordinary Shares issued upon conversion of the applicable Preferred Shares and the right to receive share certificates for Ordinary Shares upon their return to the Company (or the provision of an affirmation of lost certificate if the certificate was lost or destroyed). All rights with respect to the Preferred Shares converted pursuant to Articles 10.3.1, 10.3.2 and 10.3.3, including the rights, if any, to receive notices and vote (other than as a shareholder of Ordinary Shares), will terminate at the time of conversion. A conversion of Preferred Shares into Ordinary Shares in the manner specified above shall not require any additional corporate action by the Company in order to become effective and shall not affect the number of authorized Ordinary Shares or Preferred Shares of the Company.

10.3.5 *Adjustments to the Preferred Conversion Price for Anti-Dilution Purposes*

10.3.5.1 Other than with respect to the Preferred Conversion Price of the Preferred D Class Shares (which shall have the rights under Article 10.3.6), in the event that the Company, at any time or from time to time, prior to a Qualified IPO, shall issue New Securities, for a consideration per share lower than the applicable Preferred Conversion Price in effect on the date of and immediately prior to such issuance (including issuances at no consideration) (the "**Reduced Issuance Price**"), then in such event the applicable Preferred Conversion Price shall be reduced, concurrently with such issuance, to a number (rounded to the nearest whole US cent) equal to a fraction (i) the numerator of which is the sum of (A) the number of shares of the Company, on a fully diluted, and on an as-converted basis (as if all securities (including without limitation, Preferred Shares, options, warrants and convertible notes) directly or indirectly exercisable or convertible into any shares of the Company had been fully exercised and converted into Ordinary Shares, as of such date), outstanding immediately prior to the relevant issuance of the New Securities multiplied by the applicable Preferred Conversion Price in effect immediately prior to the issuance of such New Securities *plus* (B) the total amount of the consideration received by the Company for such New Securities and (ii) the denominator of which is the sum of the number of shares of the Company, on a fully diluted, and on an as-converted basis (as if all securities (including without limitation, Preferred Shares, options, warrants and convertible notes) directly or indirectly exercisable or convertible into any shares of the Company had been fully exercised and converted into Ordinary Shares, as of such date), outstanding immediately prior to the relevant issuance of the New Securities *plus* the number of New Securities issued. The formula may be expressed algebraically as follows:

$$P' = \frac{(N * P) + C}{N + n}$$

where:

P = The Conversion Price of the Preferred Share prior to the relevant issuance.

P' = The Conversion Price of the applicable Preferred Share after the relevant issuance.

N = Number of shares (on a fully-diluted basis and on an as-converted basis as if all securities had been fully exercised and converted into Ordinary Shares) outstanding immediately prior to the relevant issuance of the New Securities.

n = Number of New Securities issued.

C = Total amount of the consideration received by the Company for such New Securities.

10.3.5.2 In the event that the New Securities issued by the Company are rights, options or warrants to purchase equity interests, or securities of any type whatsoever that are convertible into equity interests ("**Convertible Securities**"), then the maximum number of shares directly or indirectly deliverable upon exercise (assuming the satisfaction of any conditions to exercisability, including without limitation the passage of time, but without taking into account potential anti-dilution adjustments), conversion or exchange of such Convertible Securities shall be deemed to have been issued at the time of issuance of such Convertible Securities, at a consideration equal to the consideration (determined in the manner provided in Article 10.3.5.3) if any, received by the Company for such Convertible Securities upon the issuance of such Convertible Securities plus the minimum consideration payable to the Company pursuant to the terms of such Convertible Securities, if any (without taking into account potential anti-dilution adjustments) for the issuance of shares covered thereby; *provided*, *however*, that in any such case in which Convertible Securities are issued: (i) no further adjustment in the applicable Preferred Conversion Price shall be made upon the subsequent issuance of shares upon the exercise or conversion of such Convertible Securities, pursuant to their terms; *provided* that one adjustment is made in accordance with Article 10.3.5.1 above; (ii) if such Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase in the consideration payable to the Company, or decrease in the number of shares issuable, upon the exercise, conversion or exchange thereof, the applicable Preferred Conversion Price computed upon the original issue thereof, and any subsequent adjustments based thereon, shall, upon any such increase or decrease becoming effective, be recomputed to reflect such increase or decrease insofar as it affects such Convertible Securities; (iii) upon the expiration or termination of any such Convertible Securities which shall not have been exercised or converted, the applicable Preferred Conversion Price shall be readjusted (but to no greater extent than originally adjusted, and any subsequent adjustments based thereon) in order to eliminate from the adjustment the effect of any such New Securities as shall have expired or terminated, and adjust only to the extent of such New Securities actually issued, if any, and the consideration actually received by the Company therefor.

10.3.5.3 For the purpose of making any adjustment required under Article 10.3.5 above, the consideration received by the Company for any issue or sale of securities shall (x) to the extent it consists of cash, be computed at the gross amount of cash received by the Company in consideration for such issuance or sale, (y) to the extent it consists of property other than cash, be computed at the fair market value of that property as determined in good faith by the Board of Directors, and (z) if New Securities or rights or options to purchase New Securities are issued or sold together with other shares or securities or other assets of the Company for a consideration which covers both, be computed as the portion of the consideration so received that may be reasonably determined in good faith by the Board of Directors to be allocable to such New Securities or rights or options.

10.3.6 *Adjustments to the Preferred Conversion Price of the Preferred D Class Shares for Price Protection Purposes*

10.3.6.1 Until immediately following the earlier of a Qualified IPO and a Deemed Liquidation, upon the first event (and in each such event) of (1) a Deemed Liquidation; or (2) the issuance or grant of New Securities by the Company (including, for the avoidance of doubt, (A) any issuance of New Securities in or as part of an IPO or Qualified IPO, and (B) the transactions constituting the Deemed Liquidation) (each of (1) and (2), an "**Issuance**"), in each case, at a pre-money Company valuation of less than the Target Value, the Conversion Price applicable to:

(i) the Purchasers Shares (the "**Purchasers' Conversion Price**") shall be reduced (and, for the avoidance of doubt, in no event increased) to a price equal to a twenty percent (20%) discount (the "**Discount**") on the lowest price per share for which the Company issued New Securities in such transaction (including the discount price of any convertible securities then issued, if any) (such lowest Issuance price, the "**New Price**", and such adjusted Purchasers' Conversion Price, as adjusted from time to time hereunder, the "**Adjusted Purchasers Conversion Price**"); alternatively, if requested by the Preferred D Holders, holding a majority of the Preferred D Class Shares, the Company shall issue to the Preferred D Holders at such time, for no additional consideration, additional Preferred D Shares by also adjusting the Original Issue Price of the Purchasers Shares, retroactive to the Closing, to equal the Adjusted Purchasers' Conversion Price (which, for the avoidance of doubt, shall also be reduced at such time as described herein); and

(ii) the Warrant Shares (the "**Warrant Shares Conversion Price**") shall be reduced (and, for the avoidance of doubt, in no event increased) so that it equals the product of (x) the Adjusted Purchasers' Conversion Price as determined under clause (i) above times (y) 1.1 (the "**Adjusted Warrant Shares Conversion Price**").

For example: if the Original Issue Price of the Purchasers Shares and the Purchasers' Conversion Price immediately before the Issuance is US$ 0.45 and the New Price is US$ 0.50, the Adjusted Purchasers' Conversion Price shall be US$ 0.40, and the Adjusted Warrant Shares Conversion Price shall be US$ 0.44. Alternatively, if requested by Shavit as above, and with respect to the Purchasers Shares only, the Company shall issue to the Purchasers additional Preferred D Shares, for no additional consideration, as if the Original Issue Price of the Purchasers Shares as of the Series D Closing had been US$ 0.40; and, with respect to any Warrants exercised in whole or in part prior to such Issuance, additional Warrant Shares as if the Original Issue Price (i.e. exercise price) thereof had been US$ 0.44.

10.3.6.2 Trigger Event Adjustment. In the event that, prior to August 31, 2023, the consummation of the Qualified IPO has not occurred (the **'Trigger Event**"), then at such time the Warrant Shares Conversion Price shall be reduced (and, for the avoidance of doubt, in no event increased) to an Adjusted Warrant Shares Conversion Price equal to the Adjusted Purchasers' Conversion Price. In the event of any Issuances after the Trigger Event, the Adjusted Warrant Shares Conversion Price under Article 10.3.6.1(ii) above shall, notwithstanding the provisions of such clause, be reduced (and, for the avoidance of doubt, in no event increased) so that it equals the Adjusted Purchasers' Conversion Price as determined in such event under Article 10.3.6.1(i) above.

10.3.6.3 For the purpose of this Article 10.3.6, the consideration of any New Securities shall be calculated at the U.S. dollar equivalent thereof, on the day such New Securities are issued or deemed to be issued pursuant to Article 10.3.6.6.

10.3.6.4 In the event of a Deemed Liquidation, there shall be deemed to have been an Issuance by the Company at the price per share of Company shares reflected by the valuation attributed to the Company in such transaction, on an as-converted and fully-diluted basis (but not including for such purpose the additional securities to be issued by the Company in conjunction with such transaction pursuant to this Article 10.3.6).

10.3.6.5 Adjustment to Discount. In the event that prior to August 31, 2022, the consummation of a Designated IPO or a SPAC Transaction has not occurred (the "**Adjustment Date**"), then (upon and applicable to such SPAC Transaction, or immediately following the Adjustment Date, as the case may be) the Discount shall be amended to thirty percent (30%).

10.3.6.6 The provisions of Articles 10.3.5.2 and 10.3.5.3 shall apply to this Article 10.4.5 *mutatis mutandis*.

10.3.7 *Adjustments to the Preferred Conversion Price for Splits and Combinations.*

10.3.7.1 Should the Company at any time or from time to time fix a record date for the effectuation of a split, subdivision or similar Recapitalization Event of the outstanding Ordinary Shares or for the determination of the outstanding Ordinary Shares entitled to receive a dividend or other distribution payable in additional Ordinary Shares without payment of any consideration by such holder for the additional Ordinary Shares, then, as of such record date (or the date of such dividend, distribution, split or subdivision if no record date is fixed), the Preferred Conversion Price shall be appropriately decreased to ensure no dilution takes place such that the number of Ordinary Shares issuable on conversion of each Preferred Share shall be increased in proportion to such increase of the aggregate number of Ordinary Shares outstanding.

10.3.7.2 If the number of Ordinary Shares outstanding at any time or from time to time is decreased by a combination of the outstanding Ordinary Shares, reverse stock split, or similar recapitalization events then, following the record date of such combination or reverse stock split, the applicable Preferred Conversion Price shall be appropriately increased to ensure no dilution takes place such that the number of Ordinary Shares issuable on conversion of each Preferred Share shall be decreased in proportion to such decrease in the aggregate number of Ordinary Shares outstanding.

10.3.8 *Other Distributions.* In the event the Company shall declare a distribution payable in securities of other corporations, evidences of indebtedness issued by the Company or other corporations, assets (excluding cash dividends) or options or rights not referred to in Article 10.3.7 above, then, in each such case for the purpose of this Article, the holders of Preferred Shares shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of Ordinary Shares of the Company into which their Preferred Shares are convertible as of the record date fixed for such distribution.

10.3.9 *Adjustments to the Preferred Conversion Price Upon Recapitalization Events.* If at any time or from time to time there shall be a recapitalization or exchange of the Ordinary Shares (other than as provided for elsewhere in this Article 10.3), provision shall be made so that the holders of Preferred Shares shall thereafter be entitled to receive, upon conversion of the Preferred Shares, the number of shares or other securities or property of the Company or otherwise, which a holder of Ordinary Shares deliverable upon conversion immediately prior to such recapitalization or exchange would have been entitled to receive on such recapitalization or exchange. In any such case, appropriate adjustment shall be made in the application of the provisions of this Article 10.3 with respect to the rights of the holders of Preferred Shares after the recapitalization to the end that the provisions of this Article 10.3 (including adjustment of the Preferred Conversion Price then in effect and the number of shares purchasable upon conversion of the Preferred Shares) shall be applicable after that event as nearly equivalently as may be practicable.

10.3.10 *No Impairment*. The Company will not, by amendment of these Articles or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed under this Article 10.3 by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Article 10.3 and in the taking of all such actions as may be necessary or appropriate in order to protect the conversion rights under this Article 10.3 of the Preferred Shareholders against impairment.

10.3.11 *No Fractional Shares.* No fractional shares shall be issued upon conversion of the Preferred Shares, and the number of Ordinary Shares to be issued shall be rounded to the nearest whole share (after aggregating all fractions held by each single shareholder and with one half of a share being rounded up).

10.3.12 *Certificate as to Adjustment*. Upon the occurrence of each adjustment of the Preferred Conversion Price pursuant to this Article 10.3, the Company, at its expense, shall promptly compute such adjustment in accordance with the terms hereof and prepare and furnish to each Preferred Shareholder a certificate setting forth such adjustment and showing in detail the facts upon which such adjustment is based. The Company shall, upon the reasonable written request at any time of any Preferred Shareholder, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustment, (ii) the Preferred Conversion Price in effect at the time, and (iii) the number of Ordinary Shares and the amount, if any, of other property which at the time would be received upon the conversion of a Preferred Share.

10.3.13 *Reservation of Shares Issuable Upon Conversion.* The Company shall at all times reserve and keep available out of its authorized but unissued Ordinary Shares, solely for the purpose of effecting the conversion of the Preferred Shares, such number of its Ordinary Shares as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Shares; and if at any time the number of authorized but unissued Ordinary Shares shall not be sufficient to effect the conversion of all then outstanding Preferred Shares, including for such purpose all Warrant Shares which may be acquired pursuant to the exercise of Warrants and all Preferred D-5 Shares and Preferred D-6 Shares which may be acquired pursuant to the exercise of warrants granted by the Company for the issuance and purchase of such shares, in addition to such other remedies as shall be available to the holder of such Preferred Shares, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued Ordinary Shares to such number of shares as shall be sufficient for such purposes. Without derogating from the aforesaid, in the event that in the opinion of the Company's legal counsel, any conversion of Preferred Shares shall require additional shareholders' resolutions or consents, each shareholder shall execute any such document and/or resolutions reasonably necessary to effectuate such conversion.

11. Special Rights; Modifications of Rights.

Subject to the provisions of these Articles (including but not limited to Articles 82 and 83) and the applicable provisions of the Companies Law, the Company may, from time to time, issue shares with such preferred or deferred rights or rights of redemption or other special rights and/or such restrictions, whether in regard to dividends, voting, repayment or otherwise, as may be stipulated in such resolution.

11.1 Subject to the provisions of these Articles (including but not limited to Articles 82 and 83) and to applicable law: if at any time, the authorized shares of the Company are divided into different classes of shares, the Company may modify, convert, broaden, add or otherwise alter the rights, privileges, advantages, restrictions and provisions related at that time to the shares of any class by a resolution passed at a General Meeting of the holders of all the Shares voting as one class, and subject to applicable law, the Ordinary Shareholders and Preferred Shareholders, shall not be entitled to any class vote; *provided*, *however*, that any direct amendment, modification or abrogation to the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of a specific class of shares or specific Shareholders, other than under a Special Mandatory Conversion pursuant to Article 10.3.13, which (A) adversely change such rights, preferences, privileges or powers and do not apply in the same manner to the other classes of shares of the Company or do not apply in the same manner to the other Shareholders of the Company, or (B) improve such rights without improving in the same manner the rights of the other classes of shares of the Company or the other Shareholders of the Company, shall require the consent of the holders of at least a majority (or, in case of Preferred Shares, at least a Preferred Majority) of the issued and outstanding shares of such class the rights of which were so adversely changed or the consent of the Shareholders the rights of which have been adversely changed, in the case of clause (A) above, or not improved, in the case of clause (B) above. Notwithstanding anything in these Articles to the contrary, any right, limitation or restriction expressly provided for the benefit or protection of, or applying to a specifically named Shareholder (a "**Specifically Named Shareholder**") (including this Article 11.1) may not be modified, abrogated or waived without the prior written consent of such Specifically Named Shareholder.

11.2 The provisions of these Articles relating to General Meetings of the Shareholders, to the convening thereof, notices in respect of and resolutions to be passes thereat, shall *mutatis mutandis*, apply to any separate General Meeting of the holders of the shares of a particular class.

11.3 Unless otherwise provided by these Articles, and in all events subject to the provisions ofArticles 82 and 83, it is hereby clarified that any Special Mandatory Conversion (pursuant to Article 10.3.13), the enlargement of an existing class of shares, or the issuance or allotment of additional shares thereof, or the creation of a new class of shares ranking *pari passu* with an existing class of shares or superior to any existing class of shares, shall not be deemed, for purposes of thisArticle 11 to be an adverse change or affect to the rights attached to any one class of shares, or to modify or abrogate the rights attached to the previously issued shares of such class or of any other class.

12. Share Certificates

12.1 Share certificates shall be issued under the name of the Company and shall bear the signatures of a Director and/or of any other person or persons authorized thereto by the Board of Directors.

12.2 Each shareholder shall be entitled to one numbered certificate for all the shares of any class registered in his name, and if the Board of Directors so approves, to several certificates, each for one or more of such shares.

12.3 A share certificate registered in the names of two or more persons shall be delivered to the person first named in the Register of Shareholders in respect of such co-ownership.

12.4 If a share certificate is defaced, lost or destroyed, it may be replaced upon the furnishing of such evidence of ownership, as the Board of Directors may think fit.

13. Registered Holder.

Except as otherwise provided in these Articles, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof, and, accordingly, shall not, except as ordered by a court of competent jurisdiction, or as required by statute, be bound to recognize any equitable or other claim to, or interest in such share on the part of any other person.

14. Allotment of Shares.

Subject to the provisions of these Articles (including but not limited toArticles 82 and 83), the Company's authorized shares, other than the issued and outstanding shares, shall be under the control of the Board of Directors, who shall have the power to allot shares or otherwise dispose of them to such persons, on such terms and conditions (including inter alia terms relating to calls as set forth in Article 17 herein), either at par or at a premium, or, subject to the provisions of the Companies Law, at a discount, and at such times, as the Board of Directors may think fit, and the power to give to any person the option to acquire from the Company any shares, either at par or at a premium, or, subject as aforesaid, at a discount, during such time and for such consideration as the Board of Directors may think fit. Such issuance may be made in cash, cash equivalents or for in kind consideration or for no consideration.

15. Pre-Emptive Rights.

15.1 Prior to a Qualified IPO, each Entitled Holder (in thisArticle 15, each an "**Offeree**") shall have a right of pre-emption (which it may share with any of its Permitted Transferees) to purchase its Pro Rata Share (as defined below) of all New Securities that the Company may, from time to time, propose to issue after the adoption of these Articles and shall also have a right of over-allotment such that if any Entitled Holder declines or fails to exercise its right hereunder to purchase its Pro Rata Share, each other Entitled Holder exercising its right hereunder may purchase such declining Entitled Holder's portion, on a pro-rata basis to those Entitled Holders exercising their right of over-allotment, up to a maximum of an additional fifty percent (50%) of such Entitled Holder's pro–rata share. Each Offeree's "**Pro Rata Share**" shall be equal to the ratio of (A) the number of the Company's issued and outstanding Ordinary Shares on as-converted and fully-diluted basis (including all Ordinary Shares issued or issuable upon conversion of the Preferred Shares and warrants) held by such Offeree immediately prior to the issuance of such New Securities to (B) the total number of the Company's issued and outstanding Ordinary Shares on an as-converted and fully-diluted basis (including all Ordinary Shares issued or issuable upon conversion of the Preferred Shares and warrants) immediately prior to the issuance of such New Securities.

15.2 If the Company proposes to issue any New Securities, it shall give each Offeree written notice of its intention, describing the New Securities, the price and the terms and conditions upon which the Company proposes to issue the same. Each Offeree shall have fourteen (14) days from the giving of such notice to agree to purchase up to its Pro Rata Share of the New Securities.

15.3 If the Offerees fail to exercise in full their preemptive rights within the period specified herein, then the Company shall have ninety (90) days thereafter to sell the New Securities in respect of which the Offerees' rights were not exercised, at a price and upon general terms and conditions no more favorable to the purchasers thereof than specified in the Company's notice to the Offerees pursuant to Article 14(b) hereof. If the Company has not sold such New Securities within such period, the Company shall not thereafter issue or sell any New Securities, without first offering such securities to the Offerees in the manner provided in this Article.

16. Payment in Installments.

If by the terms of allotment of any share, the whole or any part of the price thereof shall be payable in installments, every such installment shall, when due, be paid to the Company by the then registered holder(s) of the share of the person(s) entitled thereto.

17. Calls on Shares.

17.1 The Board of Directors may, from time to time make such calls as it may think fit upon Shareholders in respect of any sum unpaid in respect of shares held by such Shareholders which is not, by the terms of allotment thereof or otherwise, payable at a fixed time, and each shareholder shall pay *the amount of* every call so made upon him (and of each installment thereof if the same is payable in installments), to the person(s) *and at the time(s)* and place(s) designated by the Board of Directors, as any such time(s) may be thereafter extended and/or such person(s) or place(s) changed. Unless otherwise stipulated in the resolution of the Board of Directors (and in the notice hereafter referred to), each payment in response to a call shall be deemed to constitute a pro rata payment on account of all shares in respect of which such call was made.

17.2 Notice of any call shall be given in writing to the Shareholder(s) in question no less than fourteen (14) days prior to the time of payment, specifying the time and place of payment, and designating the person to whom such payment shall be made; *provided*, *however*, that before the time for any such payment, the Board of Directors may, by notice in writing to such Shareholder(s), revoke such call in whole or in part, extend such time, or alter such person and/or place. In the event of a call payable in installments, only one notice thereof needs be given.

17.3 If, by the terms of allotment of any share or otherwise, any amount is made payable at any fixed time, every such amount shall be payable at such time as if it were a call duly made by the Board of Directors and of which due notice had been given, and all the provisions herein contained with respect to such calls shall apply to each such amount.

17.4 The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof and all interest payable thereon.

17.5 Any amount unpaid in respect of a call shall bear interest from the date on which it is payable until actual payment thereof, at such rate (not exceeding the then prevailing debitory rate charged by leading commercial banks in Israel), and at such time(s) as the Board of Directors may prescribe.

17.6 Upon the allotment of shares, the Board of Directors may provide for differences among the allottees of such shares as to the amount of calls and/or the times of payment thereof.

18. Prepayment.

With the approval of the Board of Directors, any Shareholder may pay to the Company any amount not yet payable in respect of his shares, and the Board of Directors may approve the payment of interest on any such amount until the same would be payable if it had not been paid in advance, at such rate and time(s) as may be approved by the Board of Directors. The Board of Directors may at any time cause the Company to repay all or any part of the money so advanced, without premium or penalty. Nothing in this Article 18 shall derogate from the right of the Board of Directors to make any call before or after receipt by the Company of any such advance.

19. Forfeiture and Surrender.

19.1 If any Shareholder fails to pay any amount payable in respect of a call, or interest thereon as provided for herein, on or before the day fixed for payment of the same, the Company, by resolution of the Board of Directors, and subject to the provisions of Section 181 of the Companies Law, may at any time thereafter, so long as the said amount or interest remains unpaid, forfeit all or any of the shares in respect of which said call had been made. Any expense incurred by the Company in attempting to collect any such amount or interest, including, inter alia, attorneys' fees and costs of suit, shall be added to, and shall, for all purposes (including the accrual of interest thereon), constitute a part of the amount payable to the Company in respect of such call.

19.2 Upon the adoption of a resolution of forfeiture, the Board of Directors shall cause notice thereof to be given to such shareholder, which notice shall state that, in the event of the failure to pay the entire amount so payable within a period stipulated in the notice (which period shall not be less than fourteen (14) days and which may be extended by the Board of Directors), such shares shall be ipso facto forfeited; ***provided***, ***however***, that, prior to the expiration of such period, the Board of Directors may nullify such resolution of forfeiture, but no such nullification shall stop the Board of Directors from adopting a further resolution of forfeiture in respect of the non-payment of the same amount.

19.3 Whenever shares are forfeited as herein provided, all dividends theretofore declared in respect thereof and not actually paid shall be deemed to have been forfeited at the same time.

19.4 The Company, by resolution of the Board of Directors, may accept the voluntary surrender of any share.

19.5 Any share forfeited or surrendered as provided herein shall become dormant shares (as defined in Section 308 of the Companies Law), and the same, subject to the provisions of these Articles, may be sold, re-allotted or otherwise disposed of as the Board of Directors thinks fit.

19.6 Any Shareholder whose shares have been forfeited or surrendered shall cease to be a shareholder in respect of the forfeited or surrendered shares, but shall, notwithstanding, be liable to pay, and shall forthwith pay, to the Company, all calls, interest and expenses owing upon or in respect of such shares at the time of forfeiture or surrender, together with interest thereon from the time of forfeiture or surrender until actual payment, at the rate prescribed in Article 17.5 above, unless such shares were sold by the Company, and the Company shall have received in full the amounts specified above in addition to any additional costs of such sale of shares, and the Board of Directors, in its discretion, may enforce the payment of such moneys, or any part thereof, but shall not be under any obligation to do so. In the event of such forfeiture or surrender, the Company, by resolution of the Board of Directors, may accelerate the date(s) of payment of any or all amounts then owing by the shareholder in question (but not yet due) in respect of all shares owned by such shareholder, solely or jointly with another, and in respect of any other matter or transaction whatsoever.

19.7 The Board of Directors may at any time, before any share so forfeited or surrendered shall have been sold, re-allotted or otherwise disposed of, nullify the forfeiture or surrender on such conditions as it thinks fit, but no such nullification shall stop the Board of Directors from re-exercising its powers of forfeiture pursuant to this Article 19.7.

20. Lien.

20.1 Except to the extent the same may be waived or subordinated in writing, the Company shall have a first and paramount lien upon all the shares registered in the name of each Shareholder on which a call was duly made by the Board of Directors (without regard to any equitable or other claim or interest in such shares on the part of any other person), and upon the proceeds of the sale thereof, in respect of unpaid sum relating to shares held by such Shareholder. Such lien shall extend to all dividends from time to time declared in respect of such unpaid for shares. Unless otherwise provided, the registration by the Company of a transfer of shares shall not be deemed to be a waiver on the part of the Company of the lien (if any) existing on such shares immediately prior to such transfer.

20.2 The Board of Directors may cause the Company to sell any shares subject to such lien when any such debt, liability or engagement has matured, in such manner as the Board of Directors may think fit, but no such sale shall be made unless such debt, liability or engagement has not been satisfied within fourteen (14) days after written notice of the intention to sell shall have been served on such shareholder, his executors or administrators.

20.3 The net proceeds of any such sale, after payment of the costs thereof, shall be applied in or toward satisfaction of the debts, liabilities or engagements of such Shareholder (whether or not the same have matured), or any specific part of the same (as the Company may determine), and the residue (if any) shall be paid to the Shareholder, his executors, administrators or assigns.

20.4 Except for the lien set forth herein, no shareholder may create or permit the existence of any lien over its shares.

21. Sale after Forfeiture or Surrender or in Enforcement of Lien

Upon any sale of shares after forfeiture or surrender or for enforcing a lien, the Board of Directors may appoint any person to execute an instrument of transfer of the shares so sold and cause the purchaser's name to be entered in the Register of Shareholders in respect of such shares, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Shareholders in respect of such shares, the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

22. Redeemable Shares.

The Company may, subject to applicable law, issue redeemable shares and redeem the same.

Transfer Of Shares

23. Effectiveness and Registration.

23.1 Any transfer of shares of the Company shall be subject to the provisions of Articles 23 and 26 through 29 herein; *provided*, *however*, that any transfer of shares (other than a Permitted Transfer) shall require the approval of the Board of Directors, which approval shall not be unreasonably withheld or delayed, and the Board of Directors shall be entitled to withhold its approval only if: (i) the transferee is a competitor of the Company or a person convicted of a criminal offense involving moral turpitude, (ii) as a result of such transfer the number of shareholders of the Company shall exceed the permitted number pursuant to Article 2.2, (iii) the proposed transfer does not comply with the terms of these Articles, or (iv) the proposed transfer violates any law applicable to the Company (including any applicable securities law). In the event that the Board of Directors does not notify the transferor of its refusal to allow a transfer together with a detailed reasoning for such refusal (which shall be based on items (i), (ii), (iii) or (iv) above) within fourteen (14) days of receipt by the Company of a request for transfer which includes the identity of the transferee, then the Board of Directors shall be deemed to have approved such transfer, *provided* that any approval by the Board of Directors will be deemed to be subject to compliance by the transferor and the transferee with the terms of these Articles related to a transfer. Notwithstanding the above, the approval of the Board of Directors shall not be required for a transfer by a Person to a Permitted Transferee of such Person which does not fall within clauses (i) to (iv) above.

23.2 No transfer of shares shall be approved or registered unless a proper instrument of transfer has been submitted to the Company (or its transfer agent) together with the share certificate for the transferred shares (if such has been issued) or an affirmation of lost certificate in its stead, and with any other evidence the Board of Directors may require in order to prove to its satisfaction the rights of the transferor in the transferred shares. Subject to the transfer limitations set forth in these Articles, a Shareholder shall not make any transfer of the shares, unless (i) such transfer is in compliance with these Articles, as shall be amended from time to time and any other agreement governing the subject matter and to which the transferring Shareholder is subject, as shall be from time to time; and (ii) such transferee undertook in advance in writing to be bound by and to be subject to the terms and conditions of these Articles as shall be amended from time to time and any other agreement governing the transferred shares and to which the transferring Shareholder is subject, as shall be amended from time to time, as if it were an original party thereunder, and accepts and assumes any and all liabilities and obligations of the transferring Shareholder under said agreements with respect to the transferred shares.

23.3 The instrument of transfer shall be signed by the transferor and the transferee, and the transferor shall be considered the owner of the shares until the transferee is registered in the Register of Shareholders in respect of the shares transferred to him. The instrument of transfer of any share shall be in writing in the following form or as near thereto as possible, or in a usual or accepted form that shall be approved by the Board of Directors:

"I _____ (the "Transferor") hereby transfer to _____ (the "Transferee") _____ [Ordinary Shares] / [Preferred A/A-1/A-2/A-3/B/C/D Shares] of Gauzy Ltd., to be held by the Transferee, the executors and administrators of his estate, his custodian and his legal personal representative, under the same conditions under which I myself held them immediately prior to signing this instrument of transfer, and I, the Transferee, hereby agree to accept the above mentioned shares in accordance with the above mentioned conditions.

IN WITNESS THEREOF we hereby affix our signatures this [●] day of [●] 20[●].

_____ _____

The Transferor The Transferee"

23.4 The Board of Directors may suspend the registration of transfers during the fourteen (14) days immediately preceding the ordinary General Meeting in each year.

23.5 Instruments of transfer that are registered shall remain in the Company's possession; however, instruments of transfer which the Board of Directors refuses to register in accordance with this Article 23, shall be returned, on demand, to whomever delivered them along with the share certificate (if delivered).

Transmission of Shares

24. Decedent's Shares.

24.1 The executors and administrators of a deceased sole holder of a share, or, if there are no executors or administrators, the persons beneficially entitled as heirs of a deceased sole holder, shall be the only persons recognized by the Company as having any title to the share. In case of a share registered in the names of two or more holders, the Company shall recognize the survivor or survivors as the only persons having any title to or benefit in the share. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share jointly held by him.

24.2 Any person becoming entitled to a share in consequence of the death of any person, upon producing evidence of the grant of probate or letters of administration or declaration of succession or such other evidence as the Board of Directors may deem sufficient that he sustains the character in respect of which he proposes to act under this Article 24 or of his title, shall be registered as a Shareholder in respect of such shares, or may, subject to the regulations as to transfer herein contained, transfer such shares.

24.3 A person upon whom the ownership of a share devolves by transmission shall be entitled to receive, and may give a discharge for any dividends or other monies payable in respect of the share but he shall not be entitled in respect of it to receive notices, or to attend or vote at meetings of the Company, or, save as otherwise provided herein, to exercise any of the rights or privileges of a Shareholder unless and until he shall be registered in the Register of Shareholders.

25. Receivers and Liquidators.

25.1 The Company may recognize the receiver or liquidator of any corporate shareholder in winding up or dissolution, or the receiver or trustee in bankruptcy of any Shareholder, as being entitled to the shares registered in the name of such Shareholder.

25.2 The receiver or liquidator of a corporate Shareholder in winding up or dissolution, or the receiver or trustee in bankruptcy of any Shareholder, upon producing such evidence as the Board of Directors may deem sufficient that he sustains the character in respect of which he proposes to act under this Article 25 or of his title, shall with the consent of the Board of Directors (which the Board of Directors may grant or refuse in its absolute discretion), be registered as a Shareholder in respect of such shares, or may, subject to the regulations as to transfer herein contained, transfer such shares.

26. Right of First Refusal.

26.1 The term "**Permitted Transferee**" of a Shareholder shall mean any of the following (no section shall derogate from the applicability of any other section):

26.1.1 As to any Shareholder that is an individual, a trust which does not permit any of the settled property or the income therefrom to be applied otherwise than for the benefit of such Shareholder and no power of control over the voting powers conferred by any shares are subject to the consent of any person other than the trustees of such Shareholder.

26.1.2 As to any Shareholder which is a general or limited partnership, its partners or members, as the case may be; its management company; limited or general partnerships managed by its management company or its managing general partner; or limited or general partnerships managed by an Affiliate of its management company or the managing general partner of its general or limited partnership in question (e.g. managed by general partners which are under similar control as the general partner of such Shareholder).

26.1.3 As to each Shareholder which is a hedge fund or a venture capital fund, transferees that become transferees either in (i) a disposition which is part of a disposition of a significant portion of the investments of such fund, (ii) a disposition in connection with the dissolution of the fund, or (iii) a disposition resulting from a regulatory or tax constraint applicable to the fund or any of the partners in the fund.

26.1.4 With respect to Ibex, any Ibex Additional Investor (as defined in the Series A SPA), *provided* that (i) Ibex GP LLC and/or Ibex and/or any affiliated entities or persons of Ibex continues to perform investment management services to such Ibex Additional Investor, and (ii) Ibex, for all purposes, represents and acts (including vote) for such Ibex Additional Investor, which shall grant Ibex as many powers of attorney or proxies as may be required to enable such representation.

26.1.5 As to any Shareholder, an entity or person which is an Affiliate of such Shareholder.

26.1.6 As to any Shareholder that is an individual, such Shareholder's spouse, children, lineal descendant or antecedent.

26.1.7 As to the Founders, only wholly owned companies and immediate family members.

26.2 Subject to any terms and conditions contained in these Articles and any ancillary agreement with respect to the transferred securities, the term "**Permitted Transfer**" shall mean a transfer to a Permitted Transferee; *provided* that a transfer of any share pursuant to this Article 26.2 shall only be treated as a Permitted Transfer if the transferee agrees in writing to be bound by the terms and conditions of these Articles and any ancillary agreement with respect to the transferred securities.

26.3 Subject to the provisions of Article 25 and except for: (i) Permitted Transfers in accordance with Article 26, (ii) a transfer as part of a Deemed Liquidation, or (iii) a repurchase by the Company of its own shares or a surrender to the Company of shares, if at any time prior to a Qualified IPO a Shareholder (in this Article 26, the "**Selling Shareholder**") desires to transfer to any person (including another shareholder) any or all of his or its securities of the Company, whether in a voluntary or involuntary transfer (the "**Offered Shares**"), such Selling Shareholder shall first give written notice to the Company, which shall promptly thereafter deliver such notice ("**Notice of Sale**") to all of the Entitled Holders.

26.3.1 The Notice of Sale shall state the following: the number of Offered Shares; that the Offered Shares will, upon transfer, be free of all liens, charges and encumbrances; that a bona fide offer has been received from a third party whose identity is disclosed; and the price and other material terms. Upon receipt of the Notice of Sale, the Entitled Holders shall have the right to exercise the option (the "**Option**") set forth in Article 26.3.2.

26.3.2 For a period of twenty-one (21) days after receipt of the Notice of Sale, each Entitled Holder may elect to purchase all or a part of its pro rata share of the Offered Shares and shall also have a right of over-allotment such that if any Entitled Holder declines or fails to exercise its right hereunder to purchase its pro-rata share of the Offered Shares, each other Entitled Holder exercising its right of first refusal hereunder may purchase such declining Entitled Holder's portion, on a pro-rata basis to those Entitled Holders exercising their right of over-allotment, up to a maximum of an additional fifty percent (50%) of such Entitled Holder's pro–rata share. Any Entitled Holder that fails to respond to the Notice of Sale within said twenty-one (21). Any Entitled Holder that fails to respond to the Notice of Sale within said twenty-one (21) days period shall be deemed to have waived its right of first refusal to exercise the Option in full.

26.3.3 An Entitled Holder's "**pro-rata share**", for purposes of this Article 26, is the ratio of the number of Shares held by such Entitled Holder immediately prior to the proposed transfer of the Offered Shares (on an as-converted and fully-diluted basis) in relation to the total number of Shares issued and outstanding immediately prior to the disposition of the Offered Shares (on an as-converted and fully-diluted basis) held by all the Entitled Holders (excluding the Selling Shareholder). For clarification purposes, a warrant holder who is an Entitled Holder may exercise any warrant it holds prior to the proposed transfer of the Offered Shares (including after receipt of the Notice of Sale), and such shares issued in connection with the exercise of such warrants shall be included in the relevant Entitled Holder's pro-rata share.

26.3.4 The Option shall be exercised by delivery of a notice to the Selling Shareholder and the Company within twenty-one (21) days of receipt of the Notice of Sale, stating its desire to purchase all or a portion of its pro-rata share of such Offered Shares, and to the extent applicable, any additional shares as may be available for over-allotment, and stating therein the maximum amount of Offered Shares desired to be purchased (up to the maximum available to such Entitled Holder to purchase pursuant to Article 26.3.2 above). If the Entitled Holder(s) exercised the Option to purchase all but not less than all of the Offered Shares (the "**Buying Shareholders**"), they shall acquire all of the Offered Shares, in proportion to their respective pro rata shares *provided* that no Buying Shareholder shall be entitled to acquire under the provisions of this Article 26 more than the number of Offered Shares initially accepted by such Buying Shareholder, and upon the allocation to that Buying Shareholder of the full number of shares so accepted, the Buying Shareholder shall be disregarded in any subsequent computations and allocations hereunder. Any shares remaining after the computation of such respective entitlements shall be re-allocated among the Buying Shareholders (other than those to be disregarded as aforesaid), in the same manner, until 100% (one hundred percent) of the Offered Shares have been allocated as aforesaid. The purchase of the Offered Shares shall be on the same terms and conditions as stated in the Notice of Sale.

26.3.5 If the Entitled Holders: (i) did not exercise the Option, (ii) exercised the Option to purchase less than all of the Offered Shares, or (iii) signed waivers of the rights hereunder by such number of Entitled Holders owning such number of shares of the Company such that it would not be possible for the remaining Entitled Holders to exercise all of the Offered Shares (and in such case, the Selling Shareholder would not need to wait for the notice period in Article 26.3.4 above to expire), then the Selling Shareholder shall be free, within ninety (90) days of the earlier of the date of expiration of the Option and the date on which sufficient waivers of rights are received by Entitled Holders as set forth above, to sell all such shares to the prospective buyer set forth in the Notice of Sale at the price and on the terms contained in the Notice of Sale. If such sale is not consummated within such ninety (90) days period, or if any of the terms and conditions stated in the Notice of Sale is materially altered in favor of the prospective buyer, the Selling Shareholder shall not sell or transfer the Offered Shares, or any other shares acquired before or after the date hereof, without again complying with the provisions of this Article 26.

26.3.6 An Entitled Holder may assign its right under this Article 26.3 to any Person who is a Permitted Transferee thereof.

26.4 In the event that fractional shares will need to be transferred, the number of shares will be rounded to the nearest whole number so that only full shares will be transferred.

26.5 The provisions of Article 26 shall be of no further force and effect immediately prior to and conditioned upon the consummation of a Qualified IPO.

27. Co-Sale Rights.

27.1 Subject to Article 26 above, if at any time prior to a Qualified IPO, any Selling Shareholder desires or proposes to effect a transfer any Offered Shares to any Person, whether voluntary or involuntary, except for Permitted Transfers as provided in Article 26.2 (a "**Covered Sale**") then any Entitled Holder shall have the right to participate on a pro rata basis in such Covered Sale and shall be entitled to sell such Entitled Holder's pro rata portion, as such term is defined below.

27.2 Such right of an Entitled Holder to participate in such Covered Sale, shall be exercisable by a written notice to the Company and the Selling Shareholder within twenty-one (21) days after receipt of the Notice of Sale (as defined in Article 26.3 above), in which each Entitled Holder wishing to participate in a Covered Sale and sell all or part of its shares (each, a "**Participating Shareholder**") shall notify the Company and the Selling Shareholder, of the number of shares or securities it wishes to sell on the same terms and conditions as the Selling Shareholder proposes to sell its Offered Shares. For the purpose of this Article 27, the term "**Participating Shareholder's pro rata portion**" shall mean the number of shares owned at such time by the Participating Shareholder (on an as-converted and fully-diluted basis), in proportion to the respective number of shares owned at such time by the Selling Shareholder and all other Participating Shareholders. If such option is exercised by the Participating Shareholders, the Selling Shareholder, as applicable, shall not proceed with such sale or transfer unless each Participating Shareholder is given the right to participate and the number of Offered Shares that the Selling Shareholder, as applicable, may sell in such Covered Sale shall be correspondingly reduced.

27.3 In the event that fractional shares will need to be transferred, the number of shares will be rounded to the nearest whole number so that only full shares will be transferred.

27.4 The provisions of this Article 27 shall be of no further force and effect immediately prior to and conditioned upon the consummation of a Qualified IPO.

28. Bring Along.

28.1 Notwithstanding the provisions of Articles 26 and 27 above, and subject to the provisions of Articles 82 and 83, without limitation of any provision of applicable law and Section 4 of the Side Letter by and between the Company and Hyundai Motor Company, dated March 25, 2020, if at any time prior to an IPO, Shareholders holding at least sixty-five percent (65%) of the Company's issued and outstanding shares (calculated on an as-converted basis) (the "**Proposing Shareholders**", and the "**Requisite Majority**" respectively), shall have approved and accepted in writing a transaction or series of related transactions with any person or persons (in this Article 28 each a "**Buyer**") regarding a sale, whether through a purchase, merger or otherwise, of all the Company securities or a sale of all or substantially all of the Company's assets (the "**Transaction**"), then

28.1.1 at every meeting of the Shareholders called with respect to any of the following, and at every adjournment or postponement thereof, and on every action or approval by written consent of the Proposing Shareholders with respect to any of the following, the other Shareholders (such other Shareholders, collectively, the "**Remaining Holders**") shall vote all shares of the Company that such Remaining Holders then hold or for which such Remaining Holders otherwise then have voting power: (A) in favor of approval of the Transaction and any matter that could reasonably be expected to facilitate the Transaction, and (B) against any proposal for any recapitalization, merger, sale of assets or other business combination (other than the Transaction) between the Company and any person or entity other than the party or parties to the Transaction or any other action or agreement that would result in a breach of any covenant, representation or warranty or any other obligation or agreement of the Company under the definitive agreement(s) related to the Transaction or which could result in any of the conditions to the Company's obligations under such agreement(s) not being fulfilled. Notwithstanding anything herein to the contrary, the proceeds received in any Transaction shall be distributed pursuant to the order of precedence and the provisions of Article 10.2, including in the event where the application of such preferences and order of precedence results in certain shareholders receiving no consideration for their shares; provided, that if the proceeds received in any Transaction do not consist entirely of cash or cash equivalents, each such type of non-cash consideration shall be allocated so that all shareholders receiving distributions of the Transaction proceeds receive equal portions of each such type of non-cash consideration on a *pro rata* basis based on the consideration to be received by each such shareholder.

28.1.2 If the Transaction is structured as (A) a merger or consolidation, each Remaining Holder shall waive any dissenting minority or similar rights in connection with such merger or consolidation, or (B) a sale of shares, each Remaining Holder shall agree to sell all of the shares and rights to acquire shares of the Company held by such Remaining Holder on the terms and conditions approved by the Participating Holders; *provided*, *however*, that notwithstanding anything stated to the contrary in these Articles, the Preferred Shareholders will not be required to participate, agree to, and/or sell their Company's shares in the Transaction unless, with respect to any share purchase agreement, merger agreement and indemnification agreements to be entered into pursuant to the Transaction: (i) the liabilities set forth in such agreement will be several and not joint (other than, subject to and without derogating from Article 10.2.5, with respect to funds that are placed in escrow to cover breach of representations, warranties and covenants of the Company) and will in no event (other than fraud, willful misrepresentation or intentional breach) exceed the amount paid to each Preferred Shareholder pursuant to the Transaction and (ii) the representations and warranties each Preferred Shareholder will be required to make will be limited to his, her or its: (aa) authority to enter into the Transaction; (bb) ownership of its shares; (cc) shares being free and clear of any liens; and (dd) non contravention and no breach of any applicable law or agreement and (ee) when consideration is in the form of Buyer's equity, standard representations relating to securities law matters.

28.1.3 Each Remaining Holder shall take all necessary actions in connection with the consummation of the Transaction as requested by the Company or the Participating Holders and shall, if requested by the Participating Holders, execute and deliver any agreements and instruments prepared in connection with such Transaction which agreements are executed by the Participating Holders.

28.1.4 Subject to the limitations set forth in Article 28.1.2, if any of the Remaining Holders fail to execute and/or deliver the appropriate documentation required to effect the Transaction as set out in this Article 28, it is hereby agreed that such Remaining Holders shall be deemed to have given an irrevocable power of attorney to such person as shall be designated by the Board of Directors to accept the Transaction on behalf of such Remaining Holder and any additional obligations, and to execute and deliver any agreements and instruments prepared in connection with such Transaction applicable to all shareholders (including without limitation, any purchase agreements, indemnity agreements, escrow agreements, transfer instruments and deeds, any and all waivers, or related documents), and at the closing of the Transaction, to transfer all its shares to the third party. Each Remaining Holder hereby irrevocably appoints, to the full extent permitted by applicable law, any officer or shareholder of the Company designated by the Board of Directors, as the sole and exclusive attorney and proxy of such Remaining Holder, to: (i) vote (at any General Meeting or class meeting or any written consent in lieu of the same) and exercise all voting and related rights, to the full extent the Remaining Holder is entitled to do so, with respect to all of the shares in the Company that are beneficially owned by such Remaining Holder, and all other securities of the Company that are beneficially owned or will be owned by such Remaining Holder, and all other securities of the Company issued or issuable in respect thereof (the "**Securities**") in favor of any matter necessary to complete the Transaction; and (ii) execute and/or deliver the appropriate documentation required to effect the Transaction as set out in this Article 28, all if and to the extent such Remaining Holder fails to vote all of such Remaining Holder's Securities or execute and deliver such documents and instruments in accordance with the provisions of this Article within three (3) days of the Company's or the Participating Holders' written request. This irrevocable consent shall be valid and in full force and effect for the purposes of this Article 28, and/or for the purposes of Section 341 of the Companies Law ('**Section 341**"), should it be applicable to such transaction.

28.1.5 In the event that a Remaining Holder fails to surrender its certificate in connection with the consummation of a Transaction, such certificate shall be deemed cancelled and the Company shall be authorized to issue a new certificate in the name of the Remaining Holder and the Board of Directors shall be authorized to establish an escrow account, for the benefit of such Remaining Holder into which the consideration for such securities represented by such cancelled certificate shall be deposited and to appoint a trustee to administer such account.

28.2 The provisions of this Article 28 are in addition to (but may not be acted upon simultaneously with) the provisions of Section 341 and not in substitution of such provisions, and the Proposing Shareholders at their sole discretion may elect whether to act upon the provisions of this Article 28 and/or of Section 341. No Shareholder shall be entitled to request the Company, the other shareholders of the Company or any other party to the Transaction (e.g. the Buyer) to act upon the provisions of Section 341 and to object to the execution and delivery of any transaction documentation pertaining to the Transaction. The aforesaid Requisite Majority is hereby determined also for the purposes of Section 341.

29. Share Incentive Plans

The Company shall not issue any securities, or any other right to subscribe for, or convert to, securities (including options or shares issued or granted under stock option or share incentive plan approved by the Board of Directors (the "**Plan**")), unless the Plan shall include provisions that such securities are subject to the provisions of these Articles, including without limitation, Articles 26 and 28 herein.

General Meetings

30. Annual General Meeting.

The Company does not have to hold an annual General Meeting of the Company's Shareholders except to the extent that is necessary in order to appoint the Company's auditors. The function of the annual General Meeting shall be to receive and consider the profit and loss account, the balance sheet and the ordinary reports and accounts of the Directors and auditors; to appoint auditors and to fix their remuneration; and to transact any other business which under these Articles or applicable law may be transacted by a General Meeting. All general meetings other than the annual General Meetings shall be called "**Extraordinary General Meetings**".

31. Extraordinary General Meetings.

The Board of Directors may, whenever it thinks fit, convene an Extraordinary General Meeting at such time and place, within or outside the State of Israel, as may be determined by the Board of Directors, and shall be obliged to do so upon a requisition in writing in accordance with Section 63 of the Companies Law or upon receipt of a written and duly justified request of an Entitled Holder.

32. Notice of General Meetings; Omission to Give Notice; Record Date.

32.1 No less than fourteen (14) days prior notice shall be given of every general meeting. Each such notice shall specify the place, date and hour of the meeting and the general nature of each item to be acted upon thereat. Notice shall be given to all Shareholders who would be entitled to attend and vote at such meeting, if it were held on the date when such notice is issued. Anything herein to the contrary notwithstanding, with the consent of all Shareholders entitled to vote thereon, a resolution may be proposed and passed at such meeting although a lesser notice than hereinabove prescribed has been given.

32.2 Unless otherwise specified in these Articles, the Board of Directors shall specify a record date for determining the identity of the Shareholders entitled to receive notices of general meetings, vote in such meetings and for any other matter with regard to the rights of the Shareholders, including without limitation, the rights with regard to distribution of dividends.

Proceedings at General Meetings

33. Quorum.

33.1 No business shall be transacted at a General Meeting, or at any adjournment thereof, unless the requisite quorum is present when the meeting proceeds to business, and, without derogating from any other provision hereof, including but not limited to Articles 82 through 84, no resolution shall be passed unless the requisite quorum is present when the resolution is voted upon. Unless otherwise provided in these Articles, any two (2) or more shareholder(s) (not in default in payment of any sum referred to in Article 39.1 below), present in person, by audio or video conference so long as each Shareholder participating in such call can hear, and be heard by, each other Shareholder participating in such General Meeting, or by proxy and holding shares conferring in the aggregate a majority of the voting power of the Company, including the Preferred Majority, shall constitute a quorum.

33.2 Shareholders entitled to be present and vote at a General Meeting may participate in a General Meeting by means of audio or video conference or similar communications equipment by means of which all persons participating in the meeting can hear each other and such participation in a meeting shall constitute attendance in person at the meeting.

33.3 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon requisition under Sections 63 or 64 of the Companies Law, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such day and at such time and place as the Chairman may determine with the consent of the holders of a majority of the voting power represented at the meeting in person or by proxy and voting on the question of adjournment. No business shall be transacted at any adjourned meeting except business, which might lawfully have been transacted at the meeting as originally called. If at such adjourned meeting the quorum specified in Article 33.1 is not present half an hour from the time stated, then, without derogating from any other provision hereof, including but not limited to Articles 82 through 84, any one or more Shareholders present in person or by proxy shall constitute a quorum, and shall be entitled to deliberate and to resolve in respect of the matters for which the meeting was convened. If such quorum is not present the adjourned meeting shall be cancelled.

34. Chairman.

The Chairman will serve as the chairman of the General Meetings of the Company. If the Board of Directors has no Chairman or if he is not present fifteen (15) minutes from the time stated for the commencement of the meeting, the Shareholders present at the meeting may choose someone amongst them to chair the meeting. The office of Chairman shall not, by itself, entitle the holder thereof to vote at any General Meeting nor shall it entitle such holder to a second or casting vote (without derogating, however, from the rights of such Chairman to vote as a shareholder or proxy of a shareholder if, in fact, he is also a shareholder or such proxy).

35. Adoption of resolutions at General Meetings

35.1 Unless otherwise prescribed by applicable law or by these Articles (including but not limited toArticles 82 through 84), Shareholders resolution shall be deemed adopted if approved by the holders of a majority of the voting power represented at the Shareholders meeting in person or by proxy and voting thereon.

35.2 Every question submitted to a General Meeting shall be decided by a show of hands, but if a written ballot is demanded by any Shareholder, present in person or by proxy and entitled to vote at the meeting, the same shall be decided by such ballot. A written ballot may be demanded before the proposed resolution is voted upon or immediately after the declaration by the Chairman of the results of the vote by a show of hands. If a vote by written ballot is taken after such declaration, the results of the vote by a show of hands shall be of no effect, and the proposed resolution shall be decided by such written ballot. The demand for a written ballot may be withdrawn at any time before the same is conducted, in which event another shareholder may then demand such written ballot. The demand for a written ballot shall not prevent the continuance of the meeting for the transaction of business other than the question on which the written ballot has been demanded. A written ballot demanded on the election of a Chairman and on a question of an adjournment of a meeting shall be taken forthwith.

35.3 A declaration by the Chairman of the meeting that a resolution has been carried unanimously, or carried by a particular majority, or lost, and an entry to that effect in the minute book of the Company, shall be a *prima facie* evidence of the fact without proof of the number or proportion of the votes recorded in favor of or against such resolution.

36. resolutions in Writing.

A resolution in writing signed by all of the Shareholders then entitled to attend and vote at general meetings or to which all such Shareholders have given their written consent (by letter, facsimile, e-mail or otherwise) shall be deemed to have been unanimously adopted as a regular, special or extraordinary resolution (as the case may be) at a General Meeting duly convened and held. Any such resolution may consist of several documents in like form and signed or consented to as aforesaid, by one or more Shareholders.

37. Power to Adjourn.

37.1 The Chairman of a General Meeting at which a quorum is present may, with the consent of the holders of a majority of the voting power represented in person or by proxy and voting on the question of adjournment (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting as originally called.

37.2 It shall not be necessary to give any notice of an adjournment, unless the meeting is adjourned for a date which is more than twenty-one (21) days, in which event notice thereof shall be given in the manner required for the meeting as originally called.

38. Voting Power.

Subject to any provision hereof conferring special rights as to voting, or restricting the right to vote, every Shareholder present in person or by proxy, whether in a vote by a show of hands or by written ballot or by any other means, shall have one vote for each Ordinary Share held by such Shareholder of record and in the case of a Preferred Shareholder, one vote for each Ordinary Share into which the Preferred Shares held by such Shareholder of record could be converted.

39. Voting Rights.

39.1 No shareholder shall be entitled to vote at any General Meeting (or be counted as a part of the quorum thereat), with respect to shares for which duly made calls have not been paid.

39.2 A company or other corporate body being a Shareholder of the Company may authorize any person to be its representative at any meeting of the Company. Any person so authorized shall be entitled to exercise on behalf of such Shareholder all the power, which the latter could have exercised if it were an individual shareholder. Upon the request of the Chairman of the meeting, written evidence of such authorization (in form acceptable to the Chairman) shall be delivered to the Chairman.

39.3 Any Shareholder entitled to vote may vote either personally or by proxy (who need not be a shareholder of the Company), or, if the Shareholder is a company or other corporate body, by a representative authorized pursuant to Article 39.2 above.

39.4 If two or more persons are registered as joint holders of any share, the vote of the senior who tenders a vote, in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s); and for this purpose, seniority shall be determined by the orders in which the names stand in the Register of Shareholders.

40. Class Meetings.

The provisions of these Articles relating to general meetings shall apply *mutatis mutandis* to any separate General Meeting of the holders of shares of a particular class; *provided*, *however*, that the requisite quorum at such separate meeting, without derogating from any other provision hereof, including but not limited to Articles 82 through 84, shall be Shareholder(s) present in person or proxy holding shares conferring in the aggregate a majority of the voting power of the shares of such class, on an as-converted basis.

Proxies

41. Instrument of Appointment.

41.1 The instrument appointing a proxy shall be in writing and shall be substantially in the following form or in any usual or common form or in such other form as may be approved by the Board of Directors. It shall be duly signed by the appointer or his duly authorized attorney or, if such appointer is a company or other corporate body, under its common seal or stamp by its duly authorized agent(s) or attorney(s):

"I, _____ of _____
(Name of Shareholder) (*Address of Shareholder*)

being a shareholder of Gauzy Ltd. (the "Company"),

hereby app*oint(s)* _____ *of* _____
(Name of Proxy) (*Address of Proxy*)

As my proxy, to vote for me and on my behalf at the General Meeting of the Company to be held on the [●] day of [●], 20, and at any adjournment(s) thereof.

Signed this **[●]** day of **[●]**, 20**[●]**.

_____
(Signature of Appointer)"

41.2 The instrument appointing a proxy (and the power of attorney or other authority, if any, under which such instrument has been signed) shall either be delivered to the Company (at its Office, or at its principal place of business or at such place as the Board of Directors may specify) before the time fixed for the meeting at which the person named in the instrument proposes to vote, or presented to the Chairman at such meeting.

42. Effect of Death of Appointer or Revocation of Appointment.

A vote cast pursuant to an instrument appointing a proxy shall be valid notwithstanding the previous death of the appointing shareholder (or of his attorney-in-fact, if any, who signed such instrument), or the revocation of the appointment or the transfer of the share in respect of which the vote is cast; provided no written intimation of such death, revocation or transfer shall have been received by the Company or by the Chairman of the meeting before such vote is cast and *provided*, *further*, that the appointing shareholder, if present in person at said meeting, may revoke the appointment by means of a writing, oral notification to the Chairman, or otherwise.

Board Of Directors

43. Powers of Board of Directors.

43.1 In General. In addition to all powers and authorities of the Board of Directors as specified in the Companies Law or these Articles, the determination of the Company's policy, and the supervision of the General Manager (as defined below) and the Company's officers shall be vested in the Board of Directors. In addition, the Board of Directors may exercise all such powers and do all such acts and things as the Company is authorized to exercise and do, and are not hereby or by law required to be exercised or done by the Company in General Meeting or by the General Manager or the Chief Executive Officer of the Company (in these Articles referred to as the "**General Manager**") under his express or residual authority. The authority conferred on the Board of Directors by this Article 43.1 shall be subject to the provisions of the Companies Law, these Articles and any regulation or resolution consistent with these Articles adopted from time to time by the Company in General Meeting in accordance with these Articles; *provided*, *however*, that no such regulation or resolution shall invalidate any prior act done by or pursuant to a decision of the Board of Directors which would have been valid if such regulation or resolution had not been adopted.

43.2 Borrowing Power. The Board of Directors may from time to time, in its discretion, cause the Company to borrow or secure the payment of any sum or sums of money for the purposes of the Company, and may secure or provide for the repayment of such sum or sums in such manner, at such times and upon such terms and conditions in all respects as it may think fit, and, in particular, by the issuance of bonds, perpetual or redeemable debentures, debenture stock, or any mortgages, charges, or other securities on the undertaking or the whole or any part of the property of the Company, both present and future, including its uncalled or called but unpaid capital for the time being.

43.3 Reserves. The Board of Directors may, from time to time, set aside any amount(s) out of the profits of the Company as a reserve or reserves for any purpose(s) which the Board of Directors, in its absolute discretion, shall think fit, and may invest any sum so set aside in any manner and from time to time deal with and vary such investments, and dispose of all or any part thereof, and employ any such reserve or any part thereof in the business of the Company without being bound to keep the same separate from other assets of the Company, and may subdivide or re-designate any reserve or cancel the same or apply the funds therein for another purpose, all as the Board of Directors may from time to time think fit.

44. Exercise Of Powers Of Directors; Written Resolution. Without derogating from any other provision hereof, including but not limited to Articles 82 through 84:

44.1 A meeting of the Board of Directors at which a Quorum (as defined in Article 55 below) is present shall be competent to exercise all the authorities, powers and discretion vested in or exercisable by the Board of Directors.

44.2 Subject to the provisions of Article 46.1.9 below, a resolution proposed at any meeting of the Board of Directors shall be deemed adopted if approved by a majority of the Directors present when such resolution is put to a vote and voting thereon. The office of Chairman shall not, by itself, entitle the holder thereof to a second or a casting vote.

44.3 The Board of Directors may operate and adopt resolutions in writing, including by facsimile or other electronic means, or by telephone or any other means of communication, without convening a meeting of the Board of Directors; *provided* that all Directors then in office and lawfully entitled to participate in the discussion on the proposed matter and to vote thereon (as conclusively determined by the Chairman) have given their written consent not to convene a meeting on such matters. Minutes of such resolutions, including the resolution not to convene a meeting, shall be signed by the chairman of the Board of Directors.

45. Delegation of Powers; Committees.

45.1 Subject to the provisions of the Companies Law and these Articles, the Board of Directors may delegate any or all of its powers to committees, each consisting of two or more Directors and it may from time to time revoke such delegation or alter the composition of any such committee, *provided* that in any event such committee shall include, to the extent then in office, the Investor Directors and a Director appointed by the Founders. Any committee of the Board of the Directors so formed (a "**Committee**"), shall, in the exercise of the powers so delegated, conform to any regulations imposed on it by the Board of Directors. The meeting and proceeding of any such Committee shall be governed, in the relevant changes, by the provisions herein contained for regulating the meetings of the Board of Directors, so far as not superseded by any regulations adopted by the Board of Directors under this Article 45. Unless otherwise expressly provided by the Board of Directors in delegating powers to a Committee, such Committee shall not be empowered to further delegate powers.

45.2 The Board of Directors may, subject to the provisions of the Companies Law and these Articles, from time to time, appoint a Secretary to the Company, as well as Officers, agents, employees and independent contractors, as the Board of Directors may think fit, and may terminate the service of any such person. The Board of Directors may, subject to the provisions of the Companies Law, determine the powers and duties, as well as the salaries and emoluments, of all such persons, and may require security in such cases and in such amounts as it thinks fit.

45.3 Subject to the provisions of these Articles, the Board of Directors may from time to time by power of attorney or otherwise, appoint any person, company, firm or body of persons to be the attorney or attorneys of the Company at law or in fact for such purpose(s) and with such powers, authorities and discretion, and for such period and subject to such conditions, as it thinks fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board of Directors may think fit, and may also authorize any such attorney to delegate all or any of the powers, authorities and discretion vested in him.

46. Composition.

46.1 The Board of Directors and the board of directors of each subsidiary thereof, if any, shall consist of a total of up to eight (8) members as follows:

46.1.1 As long as Ibex holds (a) at least ten percent (10%) of the issued share capital of the Company on as-converted basis, two (2) Directors shall be appointed dismissed and replaced at any time by Ibex, by written notice to the Company and (b) at least five percent (5%) of the issued share capital of the Company, on an as-converted basis, one (1) Director shall be appointed, dismissed and replaced at any time by Ibex, by written notice to the Company;

46.1.2 As long as Olive Tree holds at least five percent (5%) of the issued share capital of the Company on an as-converted basis, one (1) Director shall be appointed, dismissed and replaced at any time by Olive Tree, by written notice to the Company;

46.1.3 As long as ADI holds at least five percent (5%) of the issued share capital of the Company, on an as-converted basis, one (1) Director shall be appointed, dismissed and replaced at any time by ADI by written notice to the Company (the "**ADI Director**");

46.1.4 As long as Blue-Red hold at least five percent (5%) of the issued share capital of the Company on an as-converted basis, one (1) Director shall be appointed, dismissed and replaced at any time by Blue-Red by written notice to the Company;

46.1.5 As long as the Founders hold at least five percent (5%) of the issued share capital of the Company, on an as-converted basis, one (1) Director shall be appointed, dismissed and replaced at any time by the Founders (acting together) by written notice to the Company; and

46.1.6 As long as Infinity holds at least five percent (5%) of the issued share capital of the Company, on an as-converted basis, one (1) Director shall be appointed, dismissed and replaced at any time by Infinity by written notice to the Company;

46.1.7 As long as SLO holds at least five percent (5%) of the issued share capital of the Company, on an as-converted basis, one (1) Director shall be appointed, dismissed and replaced at any time by SLO by written notice to the Company;

46.1.8 Ibex, Olive Tree, ADI, Infinity, Blue-Red, SLO and the Founders may assign their rights under this Article 46.1 to any transferee of their shares; *provided* that, if not transferring all of their shares to the transferee, the relevant Selling Shareholder and the transferee may agree to jointly exercise its right under Section 46.1 with the transferee;

46.1.9 No change, modification, revision, waiver, termination with respect to any provision or term of this Article 46.1.1, Article 46.1.2 and Article 46.1.3 shall be effective unless set forth in writing specifying such amendment and made in accordance with these Articles and shall require the affirmative vote, written consent or written waiver of Ibex (in case of Article 46.1.1), Olive Tree (in case of Article 46.1.2), ADI (in case of Article 46.1.3), Blue-Red (in case of Article 46.1.6), Infinity (in case of Article 46.1.6) and SLO (in case of Article 46.1.7 and 46.2), and the New Preferred D Shareholders Majority (in case of Article 46.1.8); and

46.1.10 Each Director that has not been provided and indemnification letter as of the date of adoption of these Articles shall be provided an indemnification letter under the same terms applicable to all Directors, effective as of the date of such Director's appointment to the Board.

46.2 Each of ADI, SLO and Walleye, shall each be entitled to appoint one (1) non-voting observer to the Board of Directors, *provided* that, with respect to each of ADI and SLO with respect to their separate right, it holds together with its Permitted Transferees, at least five percent (5%) of the Company's issued share capital on an as-converted basis (the "**Observers**"); and with respect to SLO so long as no Director appointed by SLO pursuant to its right under Article 46.1.7, is then serving on the Board. The Observers shall be entitled to attend and take part in all Board of Directors meetings, committee meetings and all other actions of the Board of Directors in a non-voting capacity, *provided however*, that one or more of the Observers may be excluded from meetings or receipt of information to the extent necessary to preserve attorney-client privilege and any matter relating to any conflict of interest (as may be determined by the Board of Directors in good faith after consultation with the Company's counsel). Each of the Observers shall abide by the policies of the Board and shall execute a standard non-disclosure agreement to protect the Company's confidential information in reasonable form provided by the Company. The Observers shall be entitled to receive notice of, to attend and to receive copies of any documentation distributed to the directors before, during or after, all meetings (including any action to be taken by written consent) of the Board of Directors the same time such notice or material is provided or delivered to members of the Board of Directors.

47. Appointment and Removal of Directors; Vacancies.

Appointment, removal and replacement of Directors shall be effected by furnishing written notification to the Company by those entitled to appoint such Directors and shall become effective on the date fixed in such notice.

48. Qualification of Directors.

No person shall be disqualified as a Director by reason of his or her not holding shares in the Company.

49. Continuing Directors in the Event of Vacancies

Any vacancy in a directorship shall be filled only by a person nominated by those who are entitled to appoint the vacant director seat. In the event of one or more vacancies in the Board of Directors, the continuing Directors may continue to act in every matter, and, pending the filling of any vacancy pursuant to the provisions of Article 50, may temporarily fill any such vacancy.

50. Vacation of Office.

50.1 The office of a Director shall be vacated automatically: (i) upon his death, (ii) if he is found to be legally incompetent, (iii) if he becomes bankrupt, (iv) if the Director is a company, upon its winding-up, (v) if he is prevented by applicable law from serving as a Director, (vi) if his directorship expires pursuant to these Articles and/or applicable law, (vii) if the Person appointed him is no longer entitled to appoint him, or (viii) if he is removed from office by written notice to the Company pursuant to the provisions of Article 46.2 above.

50.2 The office of the Director shall be vacated by his written resignation. Such resignation shall become effective on the date fixed therein, or upon the delivery thereof to the Company, whichever is later.

51. Remuneration of Directors.

51.1 A Director may be paid remuneration by the Company for his services as Director, subject to the provisions of the Companies Law. In the event that ADI Director is also employed by Avery Denison Corporation or any of its direct or indirect subsidiaries, then at the written request of ADI any remuneration that is paid to ADI Director (if any) shall be paid instead directly to ADI.

51.2 If a Director, willing to do so, is called upon to fulfill special services or make special efforts for any of the Company's objectives, by traveling abroad or staying there or otherwise, the Company may pay him a salary at a fixed rate or a percentage of its profits or otherwise as the Board of Directors may decide and subject to the provisions of the Companies Law, and such salary may be in addition to or in place of the fixed remuneration (if any).

51.3 Directors and Alternate Directors, who are not employees of the Company, shall be entitled to reimbursement from the Company for all reasonable travel, board and lodging expenses incurred in connection with performance of their duties as members of the Board of Directors.

52. Conflict of Interests.

52.1 Subject to the provisions of the Companies Law and these Articles, the Company may enter into any contract or otherwise transact any business with any Director in which contract or business such Director has a personal interest, directly or indirectly; and may enter into any contract of otherwise transact any business with any third party in which contract or business a Director has a personal interest, directly or indirectly.

52.2 Unless and to the extent provided otherwise in the Companies Law, a Director or other office holder, shall not participate in deliberations concerning, nor vote upon a resolution approving, a transaction with the Company in which he has a personal interest.

52.3 Unless and to the extent provided otherwise by the Board, a Director shall be excluded from attending meetings of the Board or receipt of information to the extent necessary to preserve any matter relating to any conflict of interest (as may be determined by the Board of Directors in good faith after consultation with the Company's counsel).

53. Alternate Directors.

53.1 Subject to the provisions of the Companies Law, a Director may, by written notice to the Company, appoint an alternate for himself (in these Articles referred to as "**Alternate Director**"), remove such Alternate Director and appoint another Alternate Director in place of any Alternate Director appointed by him whose office has been vacated for any reason whatsoever. A person who is not qualified to be appointed as a Director may not be appointed as an Alternate Director.

53.2 Any notice given to the Company as aforesaid shall become effective on the date fixed therein, or upon the delivery thereof to the Company, whichever is later. Unless the appointing Director, by the instrument appointing an Alternate Director or by written notice to the Company, limits such appointment to a specified period of time or restricts it to a specified meeting or action of the Board of Directors, or otherwise restricts its scope, the appointment shall be for an indefinite period, and for all purposes.

53.3 An Alternate Director shall have all the rights and obligations of the Director who appointed him;*provided*, *however*, that he may not in turn appoint an alternate for himself (unless the instrument appointing him otherwise expressly provides); *provided further*, that an Alternate Director shall have no standing at any meeting of the Board of Directors or any committee thereof while the Director who appointed him is present or at which the Director appointing him is not entitled to participate in accordance with applicable law.

53.4 Any natural person may act as an Alternate Director.

53.5 An Alternate Director shall be responsible for his own acts and defaults, as provided in the Companies Law.

53.6 The office of an Alternate Director shall be vacated under the circumstances, mutatis mutandis, set forth inArticle 50 and such office shall ipso facto be vacated if the Director who appointed such Alternate Director ceases to be a Director.

Proceedings of the Board of Directors

54. Meetings.

54.1 The Board of Directors may meet and adjourn its meetings at such places either within or without the State of Israel and otherwise regulate such meetings and proceedings as the Directors think fit. Subject to all of the other provisions of these Articles concerning meetings of the Board of Directors, the Board of Directors may meet by audio or video conference so long as each Director participating in such call can hear, and be heard by, each other Director participating in such call.

54.2 Any Director may at any time, and the Secretary, upon the request of such Director, shall, convene a meeting of the Board of Directors, but no less than ten (10) business days' written notice shall be given of any meeting, unless such notice is waived in writing by all of the Directors as to a particular meeting. Notice of a Board of Directors meeting may be given in writing by mail, email, or facsimile and shall include reasonable detail of the issues of such meeting.

55. Quorum.

55.1 Until otherwise unanimously decided by the Board of Directors, a quorum at a meeting of the Board of Directors (a "**Quorum**") shall be constituted by the presence (in person, via audio or video conference, or by proxy) of the majority of Directors then in office who are lawfully entitled to participate in the meeting; *provided* that no Quorum shall exist, other than in the event of an adjourned meeting, without the presence of the Majority Investors Directors.

55.2 Without derogating from the provisions of Article 55.2, if within an hour from the time appointed for the meeting a Quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such day and at such time and place as the Chairman may determine with the consent of the majority of the Directors present. At such adjourned meeting, any two (2) directors present in person, or represented by an Alternate Director who is present in person, shall constitute a Quorum. No business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting as originally called.

56. Chairman of the Board of Directors.

The Board of Directors may from time to time elect one of its members to be the Chairman of the Board of Directors, remove such Chairman from office and appoint another in its place. The Chairman of the Board of Directors shall preside at every meeting of the Board of Directors, but if there is no such Chairman, or if at any meeting he is not present within 15 (fifteen) minutes of the time fixed for the meeting, or if he is unwilling to take the chair, the Directors present shall choose one of their number to be the chairman of such meeting. The office of the Chairman shall not, by itself, entitle the holder thereof to a second or casting vote.

57. Validity of Acts Despite Defects.

Subject to the provisions of the Companies Law, all acts done bona fide at any meeting of the Board of Directors, or of a Committee of the Board of Directors, or by any person(s) acting as Director(s), shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of the participants in such meetings or any of them or any person(s) acting as aforesaid, or that they or any of them were disqualified, be as valid as if there were no such defect or disqualification.

General Manager

58. General Manager.

58.1 The Board of Directors may from time to time appoint one or more persons, whether or not Directors, as General Manager(s) of the Company and may confer upon such person(s), and from time to time modify or revoke, such title(s) (including Chief Executive Officer, Managing Director, General Manager(s), Director General or any similar or dissimilar title) and such duties, powers and authorities of the Board of Directors as the Board of Directors may deem fit, subject to such limitations and restrictions as the Board of Directors may from time to time prescribe and subject to the provisions of the Companies Law. Such appointment(s) may be either for a fixed term or without any limitation of time, and the Board of Directors may from time to time (subject also to the provisions of the Companies Law, and of any contract between any such person and the Company) fix his or their salaries and emoluments, remove or dismiss him or them from office and appoint another or others in his or their place or places.

58.2 Subject to the resolutions of the Company's Board of Directors, the management and the operation of the Company's affairs and business in accordance with the policy determined by the Company's Board of Directors shall be vested in the General Manager, in addition to all powers and authorities of the General Manager, as specified in the Companies Law. Without derogating from the above, all powers of management and executive authorities which were not vested by the Companies Law or by these Articles in another organ of the Company shall be vested in the General Manager, subject to the resolutions of the Company's Board of Directors.

Minutes; Rights of Signature and Stamp

59. Minutes.

59.1 The Board of Directors shall cause minutes of each General Meeting and of each meeting of the Board of Directors to be duly recorded and entered in books provided for that purpose. Such minutes shall set forth the names of the persons present at the meeting and all the proceedings and resolutions adopted thereat.

59.2 Any minutes as aforesaid, if purporting to be signed by the Chairman of the meeting or by the Chairman of the next succeeding meeting, shall constitute prima facie evidence of the matters recorded therein.

60. Rights of Signature and Stamp.

60.1 The Board of Directors shall be entitled to authorize any person or persons (who need not be Directors) to act and sign on behalf of the Company, and the acts and signature of such person(s) on behalf of the Company shall bind the Company insofar as such person(s) acted and signed within the scope of his or their authority.

60.2 The Company shall have at least one official stamp for affixing on documents, and the General Manager shall provide for the safe custody of such official stamp.

Dividends

The provisions of Articles 61-71 below shall be subject to, and without derogating from, the provisions of Article 10 herein.

61. Declaration of Dividends.

The Board of Directors may from time to time declare and cause the Company to pay dividends, subject to the Companies Law. The Board of Directors shall determine the time for payment of such dividends, and the record date for determining the Shareholders entitled thereto; *provided*, that such date shall not be prior to the date of the resolution to distribute the dividend and no Shareholder who shall first be registered in the Register of Shareholders with respect to any shares after the record date so determined shall be entitled to share in any such dividend with respect to such shares.

62. Funds Available for Payment of Dividends.

No dividend shall be paid other than out of the profits of the Company. No dividend shall be payable in excess of the amount determined by the Board of Directors.

63. Amount Payable by way of Dividends.

Prior to a Qualified IPO, in the event that dividends are declared and distributed, then such dividends shall be paid to the shareholders only with respect to issued and outstanding and fully paid up shares.

64. Payment in Specie.

Upon the declaration of a dividend in accordance with Article 61, a dividend may be paid, wholly or partly, by the distribution of specific assets of the Company or by distribution of paid up shares, debentures or debenture stock of the Company or of any other companies, or in any one or more of such ways.

65. Capitalization of Profits, Reserves, etc.

Upon approval by the Board of Directors, the Company:

65.1 may cause any moneys, investments, or other assets forming part of the undivided profits of the Company, standing to the credit of a reserve fund, or to the credit of a reserve fund for the redemption of capital, or in the hands of the Company and available for dividends, or representing premiums received on the issuance of shares and standing to the credit of the share premium account, to be capitalized and distributed among such of the Shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportion, on the footing that they become entitled thereto as capital, or may cause any part of such capitalized fund to be applied on behalf of such Shareholders in paying up in full, either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture stock of the Company which shall be distributed accordingly, in payment, in full or in part, of the uncalled liability on any issued share or debentures or debenture stock; and

65.2 may cause such distribution or payment to be accepted by such Shareholders in full satisfaction of their interest in the said capitalized sum.

66. Implementation of Powers under Articles 64 and 65.

For the purpose of giving full effect to any resolution under Articles 64 and 65, the Board of Directors may settle any difficulty which may arise in regard to the distribution as it thinks expedient, and, in particular, may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that cash payments shall be made to any Shareholders upon the footing of the value so fixed, or that fractions of less value than the nominal value of one share may be disregarded in order to adjust the rights of all parties, and may vest any such cash, shares, debentures, debenture stock or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalized fund as may seem expedient to the Board of Directors. Where requisite under the Companies Law, a proper contract shall be filed, and the Board of Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund.

67. Deductions from Dividends.

The Board of Directors may deduct from any dividend or other moneys payable to any Shareholder in respect of a share any and all sums of money then payable by him to the Company on account of calls or otherwise in respect of shares of the Company and/or on account of any other matter of transaction whatsoever.

68. Retention of Dividends.

68.1 The Board of Directors may retain any dividend or other moneys payable or property distributable in respect of a share on which the Company has a lien, and may apply the same in or toward satisfaction of the debts, liabilities, or engagements in respect of which the lien exists.

68.2 The Board of Directors may retain any dividend or other moneys payable or property distributable in respect of a share in respect of which any person is, under Articles 24 or 25, entitled to become a shareholder, or which any person is, under said Articles, entitled to transfer, until such person shall become a shareholder in respect of such share or shall transfer the same.

69. Unclaimed Dividends.

All unclaimed dividends or other moneys payable in respect of a share may be invested or otherwise made use of by the Board of Directors for the benefit of the Company until claimed. The payment by the Directors of any unclaimed dividend or such other moneys into a separate account shall not constitute the Company a trustee in respect thereof, and any dividend unclaimed after a period of seven (7) years from the date of declaration of such dividend, and any such other moneys unclaimed after a like period from the date the same were payable, shall be forfeited and shall revert to the Company, *provided*, *however*, that the Board of Directors may, at its discretion, cause the Company to pay any such dividend or such other moneys, or any part thereof, to a person who would have been entitled thereto had the same not reverted to the Company.

70. Mechanics of Payment.

Any dividend or other moneys payable in cash in respect of a share may be paid by check or warrant sent through the post to, or by transfer to a bank account specified by such person (or, if two or more persons are registered as joint holders of such share or are entitled jointly thereto in consequence of the death or bankruptcy of the holder or otherwise, to any one of such persons or to his bank account), or to such person and at such address as the person entitled thereto may be writing direct. Every such check or warrant shall be made payable to the order of the person to whom it is sent, or to such person as the person entitled thereto as aforesaid may direct, and payment of the check or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such check or warrant shall be sent at the risk of the person entitled to the money represented thereby.

71. Receipt from a Joint Holder.

If two (2) or more persons are registered as joint holders of any share, or are entitled jointly thereto in consequence of the death or bankruptcy of the holder or otherwise, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable in respect of such share.

Accounts

72. Books of Account.

The Board of Directors shall cause accurate books of account to be kept in accordance with the provisions of the Companies Law, and of any other applicable law. Such books of account shall be kept at the Office, or at such other place or places as the Board of Directors may think fit, and they shall always be open to inspection by all Directors. No Shareholder, not being a Director, shall have any right to inspect any account or book or other similar document of the Company, except as conferred by law or authorized by the Board of Directors. The Company shall make copies of its annual financial statements available for inspection by the Shareholders at the principal offices of the Company.

73. Audit.

At least once in every fiscal year the accounts of the Company shall be audited, and the correctness of the profit and loss account and balance sheet certified by one or more duly qualified auditors.

74. Auditors.

The appointment, authorities, rights and duties of the Auditor(s) of the Company, shall be regulated by applicable law, *provided, however*, that in exercising its authority to fix the remuneration of the auditor(s), the Shareholders in General Meeting may act (and in the absence of any action in connection therewith shall be deemed to have so acted) to authorize the Board of Directors to fix such remuneration subject to such criteria or standards, if any, as may be provided in such resolution, and if no such criteria or standards are so provided, such remuneration shall be fixed in an amount commensurate with the volume and nature of the services rendered by such auditor(s).

Notices

75. Notices.

75.1 Any written notice or other document may be served by the Company on any shareholder either personally or by sending it by prepaid registered mail, facsimile, or e-mail addressed to such shareholder at his address as described in the Register of Shareholders or such other address as he may have designated in writing for the receipt of notices and other documents.

75.2 Any written notice or other document may be served by any shareholder upon the Company by tendering the same in person to the Secretary or the General Manager of the Company at the Office or by sending it by prepaid registered mail (airmail if posted outside Israel) to the Company at its Office.

75.3 Any such notice or other document, shall be deemed to have been served on two (2) business days after it has been posted (seven (7) business days if sent to a place not located on the same continent as the place from where it was posted), or when actually received by the addressee if sooner than two (2) days or seven (7) days, as the case may be, after it has been posted, or when actually tendered in person, to such Shareholder (or to the Secretary or the General Manager), or one business day after transmission if it has been sent by cablegram, facsimile, email or other electronic means with electronic confirmation of delivery or when actually received by such shareholder (or by the Company), whichever is earlier. If a notice is, in fact, received by the addressee, it shall be deemed to have been duly served, when received, notwithstanding that it was defectively addressed or failed, in some respect, to comply with the provisions of this Article 75.

75.4 All notices to be given to the Shareholders shall, with respect to any share to which persons are jointly entitled, be given to whichever of such persons is named first in the Register of Shareholders, and any notice so given shall be sufficient notice to the holders of such share.

75.5 Any shareholder whose address is not specified in the Register of Shareholders, and who shall not have designated an address for the receipt of notices, shall not be entitled to receive any notice from the Company.

75.6 Subject to applicable law, any Shareholder, Director or any other person entitled to receive notice in accordance with these Articles or law, may waive notice, in advance or retroactively, in a particular case or type of cases or generally, and if done so, notice will be deemed as having been duly served, and all proceedings or actions for which the notice was required will be deemed valid.

75.7 Any person entitled to a share by operation of law or by transfer, transmission or otherwise, will be bound by any notice served with respect to such shares prior to his being registered in the Register of Shareholders as owner of the shares.

Insurance and Indemnity

76. Insurance.

Subject to the provisions of the Companies Law and to the extent permitted under law, and subject further to Article 79, the Company may enter into a contract for the insurance of all or part of the liability of any Officer imposed on him in consequence of an act which he has performed by virtue of being an Officer, including, in respect of one of the following:

76.1 a breach of his duty of care to the Company or to another person;

76.2 a breach of his fiduciary duty to the Company; *provided* that the Officer acted in good faith and had reasonable cause to assume that such act would not prejudice the interests of the Company;

76.3 a monetary liability imposed on him in favor of another person;

76.4 a payment which the Office Holder is obligated to make to an injured party as set forth in Section 52(54)(a)(1)(a) of the Securities Law, and expenses that the Office Holder incurred in connection with a proceeding under Chapters H'3, H'4, or I'1 of the Securities Law, including reasonable legal expenses, which term includes attorney fees; and

76.5 any other circumstances arising under the law with respect to which the Company may, or will be able to, insure an Officer of the Company.

77. Indemnity.

77.1 Subject to the provisions of the Companies Law and to the extent permitted under any applicable law, and subject further to Article 79, the Company may indemnify an Officer, retroactively, in respect of any liability or expense for which indemnification may be provided under the Companies Law, including the following liabilities or expenses, imposed on such Officer or incurred by him in consequence of an act which he has performed by virtue of being an Officer:

77.1.1 a monetary liability imposed on an Officer pursuant to a court judgment in favor of a third party (excluding the Company or a subsidiary of the Company, directly or by way of a derivative action), including a judgment imposed on such Officer in a compromise or in an arbitration decision approved by a competent court;

77.1.2 reasonable litigation expenses, including attorney's fees, which were incurred by such Officer in consequence of an investigation or proceeding conducted against him by an authority authorized to conduct such an investigation or proceeding, which was either (i) "concluded without the filing of an indictment" (as defined in Section 260(a)(1A) of the Companies Law) against such Officer and without the imposition thereon of any "monetary obligation in lieu of a criminal proceeding" (as defined in Section 260(a)(1A) of the Companies Law), or (ii) "concluded without the filing of an indictment" against such Officer but with the imposition thereon of a "monetary obligation in lieu of a criminal proceeding" for an offense that does not require a proof of *mens rea* element, or in connection with a financial sanction;

77.1.3 reasonable litigation expenses, including attorneys' fees, incurred by such Officer, or which were imposed on him by court, (i) in a proceeding instituted against such Officer by the Company or on its behalf or by a third party, or (ii) as in a criminal indictment of which he was acquitted, or (iii) in a criminal indictment of which he was convicted of an offense which does not require proof of *mens rea* element;

77.1.4 Any monetary liability imposed on an Officer in favor of all the injured parties by the breach in an Administrative Procedure, as stated in Section 52(54) (a)(1)(a) of the Securities Law, 5728-1968 (the "**Israeli Securities Law**"). The term "**Administrative Procedure**" shall have the following meaning: a procedure according to chapter 8C (Financial Sanctions), 8D (Administrative Enforcement Measures Imposition by the Administrative Enforcement Committee) or 9A (Arrangement for Avoidance from or Cessation of Procedures), to the Securities Law as amended from time to time;

77.1.5 Any expenses expended by an Officer with respect to Administrative Procedure (as defined above), related to the Officer, including reasonable litigation expenses, which include attorneys' fees; and

77.1.6 any other event, occurrence or circumstances in respect of which the Company may lawfully indemnify an Officer of the Company (including, without limitation, in accordance with Section 50P(b)(2) of the Israeli Economic Competition Law, 5758-1988, as amended).

77.2 Subject to the provisions of the Companies Law and to the extent permitted under law, and subject further to Article 79, the Company may undertake to indemnify an Officer, in advance, in respect of the following liabilities or expenses, imposed on such Officer or incurred by him in consequence of an act which he has performed by virtue of being an Officer:

77.2.1 As set forth in Article 77.1.1, *provided* that the undertaking to indemnity shall be limited to events which the Board of Directors believes are predictable in light of the Company's business de facto at the time the undertaking to indemnify is granted, and to amounts or criterion that the Board of Directors had determined to be reasonable in the circumstances, and that the undertaking to indemnity shall specify such predictable event and the amounts or criterion so determined.

77.2.2 As set forth in Articles 77.1.2 to 77.1.3, and to the extent permitted by law, in Article 77.1.4 and 77.1.6.

78. Release.

Subject to the provisions of the Companies Law and to the extent permitted under law, and subject further to Article 79, the Company may release, in advance, an Officer from all or any part of the liability due to damages arising out of the breach of duty of care towards the Company; *provided however*, that the Company may not exempt in advance a director from his/her/its liability for damages resulting from a breach of his/her/its duty of care to the Company in a "Distribution" (as defined in the Companies Law).

79. General.

79.1 Notwithstanding anything to the contrary contained herein and subject to applicable law, these Articles are not intended, and shall not be interpreted, to restrict the Company in any manner in respect of the procurement of insurance and/or in respect of indemnification:

79.1.1 in connection with any person who is not an Officer, including, without limitation, any employee, agent, consultant or contractor of the Company who is not an Officer; and/or

79.1.2 in connection with any Officer to the extent that such insurance and/or indemnification is not specifically prohibited under law;

provided that if the Company has an Audit Committee, the procurement of any such insurance and/or the provision of any such indemnification shall be approved by the Audit Committee of the Company.

79.2 Notwithstanding anything to the contrary in these Articles or any other agreement or instrument, the Company shall not insure, indemnify or release the Officer with respect to events or circumstances for which insurance, indemnification or release are not permitted under law.

80. Any amendment to the Companies Law or other applicable law adversely affecting the right of any Officer to be indemnified, insured or released pursuant to Articles 76 to 79 above shall be prospective in effect, and shall not affect the Company's obligation or ability to indemnify or insure an Officer for any act or omission occurring prior to such amendment, unless otherwise provided by applicable law.

Winding Up

81. If the Company be wound up, then, subject to applicable law and to the rights of the holders of shares with priority and preference rights upon winding up (including pursuant to Article 10.2), the assets of the Company available for distribution among the Shareholders as such shall be distributed to the Shareholders in proportion to their respective holdings of the shares in respect of which such distribution is being made.

Restrictive Provisions

82. Notwithstanding anything in these Articles to the contrary, until immediately prior to and/or in connection with a Designated IPO (but in all events subject to the consummation thereof), the consent of the Preferred Majority, shall be required for any action by the Company which:

82.1 amends, modifies or alters the rights, preferences privileges and duties of the Preferred Shares;

82.2 reclassifies any outstanding Shares (or existing class of securities) into Shares or securities having preferences or priority senior to or on a parity with the preferences of the Preferred Shares, other than the reclassification of Ordinary Shares for a new class of preferred shares in connection with an investment in the Company. The foregoing shall not limit the Company's ability to create new classes of shares;

82.3 has the effect of entering into a related party transaction involving any Shareholder, Director or officer of the Company or an Affiliate thereof, other than transactions at arm's length basis;

82.4 enters into an agreement, commitment or arrangement to do any of the actions set forth in this Article 83; or

82.5 amends the provisions of this Article 82 or 85.

83. Notwithstanding anything in these Articles to the contrary, until the earlier of (i) an IPO, and (ii) a Deemed Liquidation, the following actions of the Company shall be approved by a regular majority of the shareholders voting at a meeting of the shareholders unless the Preferred Supermajority votes against such action (in which case such actions shall not be approved):

83.1 authorizes or effects a Liquidation or Deemed Liquidation, other than a Deemed Liquidation where the aggregate Distributable Proceeds distributed to the Shareholders exceed the Target Value payable in cash or in tradeable securities;

83.2 allows the filing of any prospectus or registration statement in preparation for an IPO, or gives effect to an IPO other than a Qualified IPO;

83.3 amends the provisions of this Article 83 or Article 85.

84. Notwithstanding anything in these Articles to the contrary, until immediately prior to and/or in connection with a Designated IPO (but in all events subject to the consummation thereof), the consent of the New Preferred D Shareholders Majority, shall be required for any action by the Company which: (i) changes the Preferred D Preference Amount pursuant to Articles 10.2, or (ii) amends the price adjustment, in each case, other than as part of an equity financing round where rights pursuant to Articles 10.2 are being amended as requested by the investors in such equity financing round.

85. The Company shall ensure that its subsidiaries do not take the actions set forth in Articles 82 through 84, except pursuant to the veto rights set forth herein, *mutatis mutandis*.

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Exhibit 3.2

THE COMPANIES LAW, 5759-1999
A COMPANY WITH LIMITED LIABILITY

AMENDED AND RESTATED
ARTICLES OF ASSOCIATION
OF
GAUZY LTD.

As Adopted on [●] [●], 2024

Preliminary

1. **Definitions; Interpretation**.

(a) In these Articles, the following terms shall bear the meanings set forth opposite them, respectively, unless the subject or context requires otherwise.

"Articles"	shall mean these Amended and Restated Articles of Association, as amended from time to time.
"Board of Directors"	shall mean the Board of Directors of the Company.
"Chairperson"	shall mean the Chairperson of the Board of Directors, the Chairperson of a committee of the Board of Directors, or the Chairperson of the General Meeting, as the context requires.
"Committee"	any committee to which the Board of Directors delegated any or all of its powers.
"Companies Law"	shall mean the Israeli Companies Law, 5759-1999, and the regulations promulgated thereunder. The Companies Law shall include reference to the Israeli Companies Ordinance (New Version), 5743-1983, to the extent in effect according to the provisions thereof.
"Company"	shall mean Gauzy Ltd. (or in Hebrew: גאוזי בע"מ), company number 514335967.
"Director(s)"	shall mean the member(s) of the Board of Directors holding office at a given time.
"Economic Competition Law"	shall mean the Israeli Economic Competition Law, 5748-1988, and the regulations promulgated thereunder.
"External Director(s)"	shall have the meaning provided for such term in the Companies Law.
"General Meeting"	shall mean an Annual General Meeting or Special General Meeting of the Shareholders (each as defined in Article 23 of these Articles), as the case may be.
"NIS"	shall mean New Israeli Shekels.
"Office"	shall mean the registered office of the Company at any given time.

"Office Holder"	shall have the meaning provided for the term "office holder" in the Companies Law.
"Register of Shareholders"	shall mean the Company's register of shareholders of record of the Company as required under applicable law.
"Securities Law"	shall mean the Israeli Securities Law, 5728-1968, and the regulations promulgated thereunder.
"Shareholder(s)" or "shareholder(s)"	shall mean the shareholder(s) of the Company, at any given time.

(b) Unless the context shall otherwise require: words in the singular shall also include the plural, and vice versa; any pronoun shall include the corresponding masculine, feminine and neuter forms; the words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation"; the words "herein," "hereof" and "hereunder" and words of similar import refer to these Articles in their entirety and not to any part hereof; all references herein to Articles or clauses shall be deemed references to Articles or clauses of these Articles; any references to any agreement or other instrument or law, statute or regulation are to it as amended, supplemented or restated, from time to time (and, in the case of any law or statute, to any successor provisions or re-enactment or modification thereof being in force at the time); any reference to "law" shall include any law as defined in the Interpretation Law, 5741-1981, and any applicable supranational, national, federal, state, local, or foreign statute or law and all applicable rules and regulations promulgated thereunder (including, any rules, regulations or forms prescribed by any governmental authority or securities exchange commission or authority, if and to the extent applicable); any reference to a "day" or a number of "days" (without any explicit reference otherwise, such as to business days) shall be interpreted as a reference to a calendar day or number of calendar days; reference to an "officer" shall include any officer of the Company, including an Office Holder; reference to month or year means according to the Gregorian calendar; any reference to a "company," "corporate body" or "entity" shall include a partnership, corporation, limited liability company, association, trust, unincorporated organization, or a government or agency or political subdivision thereof, and reference to a "person" shall mean any of the foregoing or an individual.

(c) The captions in these Articles are for convenience only and shall not be deemed a part hereof or affect the construction or interpretation of any provision hereof.

(d) The provisions of these Articles shall supersede the provisions of the Companies Law to the extent permitted thereunder.

Limited Liability

2. The Company is a company with limited liability and therefore the liability of the Shareholders to the Company's obligations in the case of no par value shares shall be limited to the payment of the amount owed by such Shareholders to the Company pursuant to, and in accordance with, the conditions of the issuance of such shares to such Shareholders. If, at any time, the Company shall issue shares with par value, each Shareholder's liability to the Company's obligations shall be limited to the payment of the par value of the shares held by such shareholder, subject to the provisions of the Companies Law.

Company's Objectives

3. **Public Company; Objectives**

(a) The Company is a Public Company as such term is defined in and as long as it so qualifies under the Companies Law.

(b) The purpose of the Company is to engage in any lawful act or activity.

4. **Donations**.

The Company may donate a reasonable amount of money (in cash or in kind, including the Company's securities) for any purpose that the Board of Directors finds appropriate.

Share Capital

5. **Authorized Share Capital**.

(a) The authorized share capital of the Company shall consist of 49,200,191 Ordinary Shares, of no par value (the "**Shares**").

(b) The Shares shall rank *pari passu* in all respects. The Shares may be redeemable as set forth in Article 18.

6. **Increase of Authorized Share Capital**.

(a) The Company may, from time to time, by a Shareholders' resolution, whether or not all of the shares then authorized have been issued, and whether or not all of the shares theretofore issued have been called up for payment, increase its authorized share capital by increasing the number of shares. Any such increase shall be in such amount and shall be divided into shares of such nominal amounts, if any, and such shares shall confer such rights and preferences, and shall be subject to such restrictions, as such resolution shall provide.

(b) Except to the extent otherwise provided in such resolution, any new shares included in the authorized share capital increase as aforesaid shall be subject to all of the provisions of these Articles which are applicable to shares of such class included in the existing share capital without regard to class (and, if such new shares are of the same class as a class of shares included in the existing share capital, to all of the provisions which are applicable to shares of such class included in the existing share capital).

7. **Special or Class Rights; Modification of Rights**

(a) The Company may, from time to time, subject to applicable law, provide for shares with such preferred or deferred rights or other special rights and/or restrictions, whether in regard to dividends, voting, repayment of share capital or otherwise.

(b) If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class, unless otherwise provided by these Articles, may be modified or cancelled by the Company, subject to applicable law. If the modification or cancellation requires a resolution of the shareholders of the Company, the modification or cancellation may be approved by a resolution of the General Meeting of the holders of all shares as one class, without any required separate resolution of any class of shares.

(c) The provisions of these Articles relating to General Meetings shall, *mutatis mutandis*, apply to any separate General Meeting of the holders of the shares of a particular class, it being clarified that the requisite quorum at any such separate General Meeting shall be two or more shareholders (or one shareholder if less than two persons hold shares of such class) present in person or by proxy and holding not less than the required percentage of the aggregate voting power of such class of shares.

(d) Unless otherwise provided by these Articles, an increase in the authorized share capital, the creation of a new class of shares, an increase in the authorized share capital of a class of shares, or the issuance of additional shares thereof out of the authorized and unissued share capital, shall not be deemed, for purposes of this Article 7, to modify or derogate or cancel the rights attached to previously issued shares of such class or of any other class.

8. **Consolidation, Division, Cancellation and Reduction of Share Capital**

(a) The Company may, from time to time, subject to applicable law:

(i) consolidate all or any part of its issued or unissued authorized share capital, including into shares of a per share par value which is larger, equal to or smaller than the per share par value of its existing shares;

(ii) divide or sub-divide its shares (issued or unissued) or any of them, into shares of smaller or the same par value (subject, however, to the provisions of the Companies Law), and the resolution whereby any share is divided may determine that, as among the holders of the shares resulting from such subdivision, one or more of the shares may, in contrast to others, have any such preferred or deferred rights or rights of redemption or other special rights, or be subject to any such restrictions, as the Company may attach to unissued or new shares;

(iii) cancel any authorized shares which, at the date of the adoption of such resolution, have not been issued to any person nor has the Company made any commitment, including a conditional commitment, to issue such shares, and reduce the amount of its share capital by the amount of the shares so canceled; or

(iv) reduce its share capital in any manner.

(b) With respect to any consolidation of issued shares and with respect to any other action which may result in fractional shares, the Board of Directors may settle any difficulty which may arise with regard thereto, as it deems fit, and, in connection with any such consolidation or other action which could result in fractional shares, may, without limiting its aforesaid power:

(i) determine, as to the holder of shares so consolidated, which issued shares shall be consolidated into a share of a larger, equal or smaller par value per share;

(ii) issue, in contemplation of or subsequent to such consolidation or other action, shares sufficient to preclude or remove fractional share holdings;

(iii) redeem such shares or fractional shares sufficient to preclude or remove fractional share holdings;

(iv) round up, round down or round to the nearest whole number, any fractional shares resulting from the consolidation or from any other action which may result in fractional shares; or

(v) cause the transfer of fractional shares by certain Shareholders to other Shareholders so as to most expediently preclude or remove any fractional shareholdings, and cause the transferees of such fractional shares to pay the transferors thereof the fair value thereof, and the Board of Directors is hereby authorized to act in connection with such transfer, as agent for the transferors and transferees of any such fractional shares, with full power of substitution, for the purposes of implementing the provisions of this sub-Article 8(b)(v).

(c) Notwithstanding the foregoing, for a class of shares with no par value, then any of the foregoing actions may be taken with respect to such class without regard to par value.

9. **Issuance of Share Certificates, Replacement of Lost Certificates**

(a) To the extent that the Board of Directors determines that all shares shall be certificated or, if the Board of Directors does not so determine, to the extent that any shareholder requests a share certificate or the Company's transfer agent so requires, share certificates shall be issued under the corporate seal of the Company or its written, typed or stamped name and shall bear the signature of one Director, or the Company's Chief Executive Officer, or of any other person or persons authorized therefor by the Board of Directors. Signatures may be affixed in any mechanical or electronic form, as the Board of Directors may prescribe.

(b) Subject to the provisions of Article 9(a), each Shareholder shall be entitled to one numbered certificate for all the shares of any class registered in his or her name. Each certificate may also specify the amount paid up thereon. If requested by a Shareholder, the Company (as determined by an officer of the Company to be designated by the Chief Executive Officer) may issue to a Shareholder several certificates in place of one certificate, provided that such request is, in the opinion of such officer, reasonable. Where a Shareholder has sold or transferred some of such Shareholder's shares, such Shareholder shall be entitled to receive a certificate in respect of such Shareholder's remaining shares, provided that the previous certificate is delivered to the Company before the issuance of a new certificate.

(c) A share certificate registered in the names of two or more persons shall be delivered to the person first named in the Register of Shareholders in respect of such co-ownership.

(d) A share certificate which has been defaced, lost or destroyed, may be replaced, and the Company shall issue a new certificate to replace such defaced, lost or destroyed certificate upon payment of such fee, and upon the furnishing of such evidence of ownership and such indemnity, as the Board of Directors in its discretion deems fit.

10. **Registered Holder**.

Except as otherwise provided in these Articles or the Companies Law, the Company shall be entitled to treat the registered holder of each share as the absolute owner thereof, and accordingly, shall not, except as ordered by a court of competent jurisdiction, or as required by the Companies Law, be obligated to recognize any equitable or other claim to, or interest in, such share on the part of any other person.

11. **Issuance and Repurchase of Shares**.

(a) The unissued shares from time to time shall be under the control of the Board of Directors (and to the extent permitted by law, any Committee thereof), which shall have the power to issue or otherwise dispose of shares and of securities convertible or exercisable into or other rights to acquire from the Company shares or other securities which represent shares to such persons, on such terms and conditions (including inter alia terms relating to calls set forth in Article 13(f) hereof), and either at par or at a premium, or subject to the provisions of the Companies Law, at a discount and/or with payment of commission, and at such times, as the Board of Directors (or a Committee, as the case may be) deems fit, and the power to give to any person the option to acquire from the Company any shares or securities convertible or exercisable into or other rights to acquire from the Company, either at par or at a premium, or subject as aforesaid, at a discount and/or with payment of commission, during such time and for such consideration as the Board of Directors (or a Committee, as the case may be) deems fit.

(b) The Company may at any time and from time to time, subject to the Companies Law, repurchase or finance the purchase of any shares or other securities issued by the Company, in such manner and under such terms as the Board of Directors shall determine, whether from any one or more Shareholders. Such purchase shall not be deemed as a payment of dividends and, no Shareholder will have the right to require the Company to purchase his or her shares or offer to purchase shares from any other Shareholders.

12. **Payment in Installment**.

If pursuant to the terms of issuance of any share, all or any portion of the price thereof shall be payable in installments, every such installment shall be paid to the Company on the due date thereof by the then registered holder(s) of the share or the person(s) then entitled thereto.

13. **Calls on Shares**.

(a) The Board of Directors may, from time to time, as it, in its discretion, deems fit, make calls for payment upon Shareholders in respect of any sum (including premium) which has not been paid up in respect of shares held by such Shareholders and which is not, pursuant to the terms of issuance of such shares or otherwise, payable at a fixed time, and each Shareholder shall pay the amount of every call so made upon him or her (and of each installment thereof if the same is payable in installments), to the person(s) and at the time(s) and place(s) designated by the Board of Directors, as any such times may be thereafter extended and/or such person(s) or place(s) changed by the Board of Directors. Unless otherwise stipulated in the resolution of the Board of Directors (and in the notice hereafter referred to), each payment in response to a call shall be deemed to constitute a pro rata payment on account of all the shares in respect of which such call was made.

(b) Notice of any call for payment by a shareholder shall be given in writing to such shareholder not less than 14 days prior to the time of payment fixed in such notice, and shall specify the time and place of payment, and the person to whom such payment is to be made. Prior to the time for any such payment fixed in a notice of a call given to a shareholder, the Board of Directors may in its absolute discretion, by notice in writing to such shareholder, revoke such call in whole or in part, extend the time fixed for payment thereof, or designate a different place of payment or person to whom payment is to be made. In the event of a call payable in installments, only one notice thereof need be given.

(c) If pursuant to the terms of issuance of a share or otherwise, an amount is made payable at a fixed time (whether on account of the par value of such share or by way of premium or otherwise), such amount shall be payable at such time as if it were payable by virtue of a call made by the Board of Directors and for which notice was given in accordance with paragraphs (a) and (b) of this Article 13, and the provision of these Articles with regard to calls (and the non-payment thereof) shall be applicable to such amount or such installment (and the non-payment thereof).

(d) Joint holders of a share shall be jointly and severally liable to pay all calls for payment in respect of such share and all interest payable thereon.

(e) Any amount called for payment which is not paid when due shall bear interest from the date fixed for payment until actual payment thereof, at such rate (not exceeding the then prevailing debitory rate charged by leading commercial banks in Israel), and payable at such time(s) as the Board of Directors may prescribe.

(f) Upon the issuance of shares, the Board of Directors may provide for differences among the holders of such shares as to the amounts and times for payment of calls for payment in respect of such shares.

14. **Prepayment**.

With the approval of the Board of Directors, any shareholder may pay to the Company any amount not yet payable in respect of such shareholder's shares, and the Board of Directors may approve the payment by the Company of interest on any such amount until the same would be payable if it had not been paid in advance, at such rate and time(s) as may be approved by the Board of Directors. The Board of Directors may at any time cause the Company to repay all or any part of the money so advanced, without premium or penalty. Nothing in this Article 14 shall derogate from the right of the Board of Directors to make any call for payment before or after receipt by the Company of any such advance.

15. **Forfeiture and Surrender**.

(a) If any shareholder fails to pay an amount payable by virtue of a call, installment or interest thereon as provided for in accordance herewith, on or before the day fixed for payment of the same, the Board of Directors may at any time after the day fixed for such payment, so long as such amount (or any portion thereof) or interest thereon (or any portion thereof) remains unpaid, forfeit all or any of the shares in respect of which such payment was called for. All expenses incurred by the Company in attempting to collect any such amount or interest thereon, including, attorneys' fees and costs of legal proceedings, shall be added to, and shall, for all purposes (including the accrual of interest thereon) constitute a part of, the amount payable to the Company in respect of such call.

(b) Upon the adoption of a resolution as to the forfeiture of a shareholder's share, the Board of Directors shall cause notice thereof to be given to such shareholder, which notice shall state that, in the event of the failure to pay the entire amount so payable by a date specified in the notice (which date shall be not less than 14 days after the date such notice is given and which may be extended by the Board of Directors), such shares shall be ipso facto forfeited, provided, however, that, prior to such date, the Board of Directors may cancel such resolution of forfeiture, but no such cancellation shall prohibit in any manner the Board of Directors from adopting a further resolution of forfeiture in respect of the non-payment of the same amount.

(c) Without derogating from Articles 51 and 55 hereof, whenever shares are forfeited as herein provided, all dividends, if any, theretofore declared in respect thereof and not actually paid shall be deemed to have been forfeited at the same time.

(d) The Company, by resolution of the Board of Directors, may accept the voluntary surrender of any share.

(e) Any share forfeited or surrendered as provided herein shall become the property of the Company as a dormant share, and the same, subject to the provisions of these Articles, may be sold, re-issued or otherwise disposed of or cancelled as the Board of Directors deems fit.

(f) Any person whose shares have been forfeited or surrendered shall cease to be a shareholder in respect of the forfeited or surrendered shares, but shall, notwithstanding, be liable to pay, and shall forthwith pay, to the Company, all calls, interest and expenses owing upon or in respect of such shares at the time of forfeiture or surrender, together with interest thereon from the time of forfeiture or surrender until actual payment, at the rate prescribed in Article 13(e) above, and the Board of Directors, in its discretion, may, but shall not be obligated to, enforce or collect the payment of such amounts, or any part thereof, as it shall deem fit. In the event of such forfeiture or surrender, the Company, by resolution of the Board of Directors, may accelerate the date(s) of payment of any or all amounts then owing to the Company by the person in question (but not yet due) in respect of all shares owned by such shareholder, solely or jointly with others.

(g) The Board of Directors may at any time, before any share so forfeited or surrendered shall have been sold, re-issued or otherwise disposed of, nullify the forfeiture or surrender on such conditions as it deems fit, but no such nullification shall prohibit in any manner the Board of Directors from re-exercising its powers of forfeiture pursuant to this Article 15.

16. **Lien**.

(a) Except to the extent the same may be waived or subordinated in writing, the Company shall have a first and paramount lien upon all the shares registered in the name of each shareholder (without regard to any equitable or other claim or interest in such shares on the part of any other person), and upon the proceeds of the sale thereof, for his or her debts, liabilities and engagements to the Company arising from any amount payable by such shareholder in respect of any unpaid or partly paid shares, whether or not such debt, liability or engagement has matured. Such lien shall extend to all dividends from time to time declared or paid in respect of such shares. Unless otherwise provided, the registration by the Company of a transfer of shares shall be deemed to be a waiver on the part of the Company of the lien (if any) existing on such shares immediately prior to such transfer.

(b) The Board of Directors may cause the Company to sell a share subject to such a lien when the debt, liability or engagement giving rise to such lien has matured, in such manner as the Board of Directors deems fit, but no such sale shall be made unless such debt, liability or engagement has not been satisfied within 14 days after written notice of the intention to sell shall have been served on such shareholder, or, as applicable, his or her executors or administrators.

(c) The net proceeds of any such sale, after payment of the costs and expenses thereof or ancillary thereto, shall be applied in or toward satisfaction of the debts, liabilities or engagements of such shareholder in respect of such shares (whether or not the same have matured), and the remainder (if any) shall be paid to the shareholder, his or her executors, administrators or assigns.

17. **Sale After Forfeiture or Surrender or For Enforcement of Lien**.

Upon any sale of a share after forfeiture or surrender or for enforcing a lien, the Board of Directors may appoint any person to execute an instrument of transfer of the share so sold and cause the purchaser's name to be entered in the Register of Shareholders in respect of such share. The purchaser shall be registered as the shareholder and shall not be bound to see to the regularity of the sale proceedings, or to the application of the proceeds of such sale, and after his or her name has been entered in the Register of Shareholders in respect of such share, the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively, provided that the foregoing does not derogate from the Company's rights and remedies against any person.

18. **Redeemable Shares**.

The Company may, subject to applicable law, issue redeemable shares or other securities and redeem the same upon terms and conditions to be set forth in a written agreement between the Company and the purchaser of such shares or other securities or in their terms of issuance.

Transfer of Shares

19. **Registration of Transfer**.

No transfer of shares shall be registered unless a proper writing or instrument of transfer (in any customary form or any other form satisfactory to the Board of Directors) has been submitted to the Company (or its transfer agent), together with any share certificate(s) and such other evidence of title as the Board of Directors may reasonably require. Notwithstanding anything to the contrary herein, shares registered in the name of The Depository Trust Company (or other entity providing similar functions) or its nominee shall be transferrable in accordance with the policies and procedures of The Depository Trust Company (or other entity providing similar functions). Until the transferee has been registered in the Register of Shareholders in respect of the shares so transferred, the Company may continue to regard the transferor as the owner thereof. The Board of Directors, may, from time to time, prescribe a fee for the registration of a transfer, and may approve other methods of recognizing the transfer of shares in order to facilitate the trading of the Company's shares on any stock exchange or quotation system on which the Company's shares are then listed for trading or quoted.

20. **Suspension of Registration**.

The Board of Directors may, in its discretion to the extent it deems necessary, close the Register of Shareholders of registration of transfers of shares for a period determined by the Board of Directors, and no registrations of transfers of shares shall be made by the Company during any such period during which the Register of Shareholders is so closed.

Transmission of Shares

21. **Decedents' Shares**.

(a) Any person becoming entitled to a share in consequence of the death of any person, upon producing evidence of the grant of probate or letters of administration or declaration of succession (or such other evidence as the Board of Directors may reasonably deem sufficient (or to an officer of the Company to be designated by the Chief Executive Officer)), shall be registered as a shareholder in respect of such share, or may, subject to the provisions as to transfer contained herein, transfer such share.

(b) In case of a share registered in the names of two or more holders, the Company shall recognize the remaining holder as the sole owner(s) thereof unless and until the provisions of Article 21(a) have been effectively invoked.

22. **Receivers and Liquidators**.

(a) The Company may recognize any receiver, liquidator or similar official appointed to wind-up, dissolve or otherwise liquidate a corporate Shareholder, and a trustee, manager, receiver, liquidator or similar official appointed in bankruptcy or in connection with the reorganization of, or similar proceeding with respect to a Shareholder or its properties, as being entitled to the shares registered in the name of such Shareholder.

(b) Such receiver, liquidator or similar official appointed to wind-up, dissolve or otherwise liquidate a corporate Shareholder and such trustee, manager, receiver, liquidator or similar official appointed in bankruptcy or in connection with the reorganization of, or similar proceedings with respect to a Shareholder or its properties, upon producing such evidence as the Board of Directors (or an officer of the Company to be designated by the Chief Executive Officer) may deem sufficient as to his or her authority to act in such capacity or under this Article, shall with the consent of the Board of Directors (which the Board of Directors may grant or refuse in its absolute discretion), be registered as a Shareholder in respect of such shares, or may, subject to the regulations as to transfer herein contained, transfer such shares.

General Meetings

23. **General Meetings**.

(a) An annual General Meeting ("**Annual General Meeting**") shall be held at such time and at such place, either within or outside of the State of Israel, as may be determined by the Board of Directors, no later than 15 months after the last Annual General Meeting.

(b) All General Meetings other than Annual General Meetings shall be called "**Special General Meetings**." The Board of Directors may, at its discretion, convene a Special General Meeting at such time and place, within or outside of the State of Israel, as may be determined by the Board of Directors.

(c) If so determined by the Board of Directors, an Annual General Meeting or a Special General Meeting may be held through the use of any means of communication approved by the Board of Directors, provided all of the participating Shareholders can hear each other simultaneously. A resolution approved by use of means of communications as aforesaid, shall be deemed to be a resolution lawfully adopted at such General Meeting and a Shareholder shall be deemed present in person at such General Meeting if attending such meeting through the means of communication used at such meeting.

(d) Shareholders may not adopt resolutions in writing and may only adopt resolutions at a General Meeting.

24. **Record Date for General Meeting**

Notwithstanding any provision of these Articles to the contrary, and to allow the Company to determine the shareholders entitled to notice of or to vote at any General Meeting or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or grant of any rights, or entitled to exercise any rights in respect of or to take or be the subject of any other action, the Board of Directors may fix a record date, which shall not be more than the maximum period and not less than the minimum period permitted by law. A determination of shareholders of record entitled to notice of or to vote at a meeting shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

25. **Shareholder Proposal Request**.

(a) Any Shareholder or Shareholders of the Company that have the right under the Companies Law to propose a matter to be included in the agenda of a General Meeting of the Company (the "**Proposing Shareholder(s)**") may request, subject to the Companies Law and these Articles, that the Board of Directors include a matter on the agenda of a General Meeting to be held in the future, provided that the Board of Directors determines that the matter is appropriate to be considered at the relevant General Meeting (a "**Proposal Request**"). In order for the Board of Directors to consider a Proposal Request and whether to include the matter stated therein on the agenda of the relevant General Meeting, notice of the Proposal Request must be timely delivered in accordance with applicable law and stock exchange rules and regulations, and the Proposal Request must comply with the requirements of these Articles (including this Article 25) and any applicable law and stock exchange rules and regulations. The Proposal Request must be in writing, signed by all of the Proposing Shareholder(s) making such request, delivered, either in person or by registered mail, postage prepaid, and received by the Secretary of the Company (or, in the absence thereof, by the Chief Executive Officer of the Company). To be considered timely, a Proposal Request must be received within the time periods prescribed by applicable law and stock exchange rules and regulations. The announcement of an adjournment or postponement of a General Meeting shall not commence a new time period (or extend any time period) for the delivery of a Proposal Request as described above. In addition to any information required to be included in accordance with applicable law and stock exchange rules and regulations, the Proposal Request must include the following: (i) the name, address, telephone number and email address of the Proposing Shareholder (or each Proposing Shareholder, as the case may be) and, if an entity, the name(s) of the person(s) that controls or manages such entity; (ii) the number of Shares held by the Proposing Shareholder(s), directly or indirectly (and, if any of such Shares are held indirectly, an explanation of how they are held and by whom), which shall be in such number no less than as is required to qualify as a Proposing Shareholder, accompanied by evidence satisfactory to the Company of the record holding of such Shares by the Proposing Shareholder(s) as of the date of the Proposal Request, and a representation that the Proposing Shareholder(s) intends to attend the General Meeting in person or by proxy; (iii) the matter requested to be included on the agenda of a General Meeting, all information related to such matter, the reason that such matter is proposed to be brought before the General Meeting, the complete text of the resolution that the Proposing Shareholder(s) proposes to be voted upon at the General Meeting and, if the Proposing Shareholder(s) wishes to have a position statement in support of the Proposal Request, a copy of such position statement that complies with the requirements of any applicable law and stock exchange rules and regulations (if any); (iv) a description of all arrangements or understandings between the Proposing Shareholder(s) and any other person(s) (naming such person or persons) in connection with the matter that is requested to be included on the agenda and a declaration signed by all Proposing Shareholder(s) of whether any of them has a personal interest in the matter and, if so, a description in reasonable detail of such personal interest; (v) a description of all Derivative Transactions (as defined below) by each Proposing Shareholder(s) during the previous 12-month period, including the date of the transactions and the class, series and number of securities involved in, and the material economic terms of, such Derivative Transactions; and (vi) a declaration that all of the information that is required under the Companies Law and any other applicable law and stock exchange rules and regulations to be provided to the Company in connection with such matter, if any, has been provided to the Company. The Board of Directors, may, in its discretion, to the extent it deems necessary, request that the Proposing Shareholder(s) provide additional information necessary so as to include a matter on the agenda of a General Meeting, as the Board of Directors may reasonably require.

A "**Derivative Transaction**" means any agreement, arrangement, interest or understanding entered into by, or on behalf or for the benefit of, any Proposing Shareholder or any of its affiliates or associates, whether of record or beneficial: (1) the value of which is derived in whole or in part from the value of any class or series of shares or other securities of the Company, (2) which otherwise provides any direct or indirect opportunity to gain or share in any gain derived from a change in the value of any share or other securities of the Company, (3) the effect or intent of which is to mitigate loss, manage risk or benefit of security value or price changes, or (4) which provides the right to vote or increase or decrease the voting power of, such Proposing Shareholder, or any of its affiliates or associates, with respect to any shares or other securities of the Company, which agreement, arrangement, interest or understanding may include, without limitation, any option, warrant, debt position, note, bond, convertible security, swap, stock appreciation right, short position, profit interest, hedge, right to dividends, voting agreement, performance-related fee or arrangement to borrow or lend shares (whether or not subject to payment, settlement, exercise or conversion in any class or series of shares or other securities), and any proportionate interest of such Proposing Shareholder in the securities of the Company held by any general or limited partnership, or any limited liability company, of which such Proposing Shareholder is, directly or indirectly, a general partner or managing member.

(b) The information required pursuant to this Article shall be updated as of (i) the record date of the General Meeting, (ii) seven days before the General Meeting, and (iii) as of the General Meeting, and any adjournment or postponement thereof.

(c) The provisions of Articles 25(a) and 25(b) shall apply,*mutatis mutandis,* on any matter to be included on the agenda of a Special General Meeting which is convened pursuant to a request of a Shareholder duly delivered to the Company in accordance with the Companies Law.

(d) Notwithstanding anything to the contrary herein, this Article 25 may only be amended or replaced by a resolution adopted at a General Meeting by a majority of at least 55% of the total voting power of the Shareholders.

26. **Notice of General Meetings; Omission to Give Notice**

(a) The Company is not required to give notice of a General Meeting, subject to any mandatory provision of the Companies Law and any other legal requirements applicable to the Company.

(b) The accidental omission to give notice of a General Meeting to any Shareholder, or the non-receipt of notice sent to such Shareholder, shall not invalidate the proceedings at such meeting or any resolution adopted thereat.

(c) No Shareholder present, in person or by proxy, at any time during a General Meeting shall be entitled to seek the cancellation or invalidation of any proceedings or resolutions adopted at such General Meeting on account of any defect in the notice of such meeting relating to the time or the place thereof, or any item acted upon at such meeting.

(d) The Company may add additional places for Shareholders to review the full text of the proposed resolutions to be adopted at a General Meeting, including an internet site.

Proceedings at General Meetings

27. **Quorum**.

(a) No business shall be transacted at a General Meeting, or at any adjournment thereof, unless the quorum required under these Articles for such General Meeting or such adjourned meeting, as the case may be, is present when the meeting proceeds to business.

(b) In the absence of contrary provisions in these Articles, the requisite quorum for any General Meeting shall be two or more Shareholders (not in default in payment of any sum referred to in Article 13 hereof) present in person or by proxy and holding shares conferring in the aggregate at least 33⅓% of the voting power of the Company, provided, however, that if such General Meeting was initiated by and convened pursuant to a resolution adopted by the Board of Directors, the requisite quorum shall be two or more Shareholders (not in default in payment of any sum referred to in Article 13 hereof) present in person or by proxy and holding shares conferring in the aggregate at least 25% of the voting power of the Company (for so long as such 25% quorum is permitted under stock exchange rules and regulations applicable to the Company, and if not so permitted, then the above 33⅓% quorum shall apply). For the purpose of determining the quorum present at a certain General Meeting, a proxy may be deemed to be the number of Shareholders represented by the proxy.

(c) If within half an hour from the time appointed for a General Meeting a quorum is not present, then the meeting shall be canceled if it was convened pursuant to Section 63, 64 or 65 of the Companies Law, and in any other case, without any further notice the meeting shall be adjourned either (i) to the same day in the next week, at the same time and place, (ii) to such day and at such time and place as indicated in the notice of such meeting, or (iii) to such day and at such time and place as the Chairperson of the General Meeting shall determine (which may be earlier or later than the date pursuant to clause (i) above). No business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting as originally called. Subject to applicable law and stock exchange rules and regulations, at such adjourned meeting, any shareholder (not in default as aforesaid) present in person or by proxy, shall constitute a quorum.

28. **Chairperson of General Meeting**.

The Chairperson of the Board of Directors shall preside as Chairperson of every General Meeting of the Company. If at any meeting the Chairperson of the Board of Directors is not present within 15 minutes after the time fixed for holding the meeting or is unwilling or unable to act as Chairperson, any of the following may preside as Chairperson of the meeting (and in the following order): a person designated by the Board of Directors, a Director, the Chief Executive Officer, the Chief Financial Officer, the Secretary of the Company or any person designated by any of the foregoing. If at any such meeting none of the foregoing persons is present or all are unwilling or unable to act as Chairperson, the Shareholders present (in person or by proxy) shall choose a Shareholder or its proxy present at the meeting to be Chairperson. The office of Chairperson shall not, by itself, entitle the holder thereof to vote at any General Meeting nor shall it entitle such holder to a second or casting vote (without derogating, however, from the rights of such Chairperson to vote as a Shareholder or proxy of a Shareholder if, in fact, he or she is also a Shareholder or such proxy).

29. **Adoption of Resolutions at General Meetings**.

(a) Except as required by the Companies Law or these Articles, a resolution of the Shareholders shall be adopted if approved by the holders of a simple majority of the voting power represented at the General Meeting in person or by proxy and voting thereon, as one class, and disregarding abstentions from the count of the voting power present and voting. For the avoidance of doubt, a resolution with respect to a matter or action for which the Companies Law prescribes a higher majority or pursuant to which a provision requiring a higher majority would have been deemed to have been incorporated into these Articles, but resolutions with respect to which the Companies Law allows the Company's Articles to provide otherwise, shall be adopted by a simple majority of the voting power represented at the General Meeting in person or by proxy and voting thereon, as one class, and disregarding abstentions from the count of the voting power present and voting.

(b) A Shareholder entitled to vote may signify in writing his or her approval of, or dissent from, or may abstain from any resolution included in a proxy instrument furnished by the Company. A proxy instrument may include resolutions pertaining to such issues which are permitted to be included in a proxy instrument according to applicable law, and such other issues which the Board of Directors may decide, in a certain instance or in general, to allow voting. Subject to applicable law, a Shareholder voting or abstaining through a proxy instrument shall be taken into account in determining the presence of a quorum as if such Shareholder is present at the meeting. Notwithstanding anything to the contrary, the Board of Directors may determine that a resolution shall be decided by any other manner, subject to applicable law.

(c) A defect in convening or conducting a General Meeting, including a defect resulting from the non-fulfillment of any provision or condition set forth in the Companies Law or these Articles, including with regard to the manner of convening or conducting the General Meeting, shall not disqualify any resolution passed at the General Meeting and shall not affect the discussions or decisions which took place thereat.

(d) A declaration by the Chairperson of the General Meeting that a resolution has been carried unanimously, or carried by a particular majority, or rejected, and an entry to that effect in the minute book of the Company, shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favor of or against such resolution.

30. **Power to Adjourn**.

A General Meeting, the consideration of any matter on its agenda, or the resolution on any matter on its agenda, may be postponed or adjourned, from time to time and from place to place: (i) by the Chairperson of a General Meeting at which a quorum is present (and he or she shall do so if directed by the meeting, with the consent of the holders of a majority of the voting power represented in person or by proxy and voting on the question of postponement or adjournment), but no business shall be transacted at any such adjourned meeting except business which might lawfully have been transacted at the meeting as originally called, or a matter on its agenda with respect to which no resolution was adopted at the meeting originally called; or (ii) by the Board of Directors (whether prior to or at the General Meeting).

31. **Voting Power**.

Subject to the provisions of Article 32(a) and to any provision hereof conferring special rights as to voting, or restricting the right to vote, every Shareholder shall have one vote for each share held by such shareholder of record, on every resolution, without regard to whether the vote thereon is conducted by a proxy instrument or by any other means.

32. **Voting Rights.**

(a) No shareholder shall be entitled to vote at any General Meeting (or be counted as a part of the quorum thereat), unless all calls then payable by him or her in respect of his or her shares in the Company have been paid in full.

(b) A company or other corporate body being a Shareholder of the Company may duly authorize any person to be its representative at any General Meeting of the Company or to execute or deliver a proxy on its behalf. Any person so authorized shall be entitled to exercise on behalf of such Shareholder all the power which the Shareholder could have exercised if it were an individual. Upon the request of the Chairperson of the General Meeting, written evidence of such authorization (in form acceptable to the Chairperson) shall be delivered to him or her.

(c) Any Shareholder entitled to vote may vote either in person or by proxy (who need not be Shareholder of the Company), or, if the Shareholder is a company or other corporate body, by a representative authorized pursuant to Article 32(b) above.

(d) If two or more persons are registered as joint holders of any share, the vote of the senior who tenders a vote, in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s). For the purpose of this Article 32(d), seniority shall be determined by the order of registration of the joint holders in the Register of Shareholders.

(e) A Shareholder who wishes to vote at a General Meeting shall prove his or her title to a share to the Company as required under the Companies Law. Without prejudice to the aforesaid, the Board of Directors may prescribe regulations and procedures with regard to proof of title to the Company's shares.

Proxies

33. **Instrument of Appointment**.

(a) An instrument appointing a proxy shall be in writing and shall be substantially in the following form:

"I _____ of _____
(Name of Shareholder) *(Address of Shareholder)*
being a shareholder of Gauzy Ltd. hereby appoints
_____ of _____
(Name of Proxy) *(Address of Proxy)*

as my proxy to vote for me and on my behalf at the General Meeting of the Company to be held on the ___ day of _____, _____ and at any postponement(s) or adjournment(s) thereof.

Signed this ____ day of _____, _____.

(Signature of Appointor)"

or in any such form as may be approved by the Board of Directors or the Secretary of the Company. Such proxy shall be duly signed by the appointor or such person's duly authorized attorney, or, if such appointor is a company or other corporate body, in the manner in which it signs documents which binds it.

(b) Subject to the Companies Law, the instrument appointing a proxy (and the power of attorney or other authority, if any, under which such instrument has been signed) shall be delivered to the Company (at its Office, at its principal office, or at the offices of its registrar or transfer agent, or at such place as notice of the General Meeting may specify) not less than 48 hours (or such shorter period as the notice of the General Meeting shall specify) before the time fixed for such meeting. Notwithstanding the above, the Chairperson of the General Meeting shall have the right to waive the time requirement provided above with respect to all instruments of proxies and to accept any and all instruments of proxy until the beginning of a General Meeting. A document appointing a proxy shall be valid for every postponed or adjourned meeting of the General Meeting to which the document relates.

34. **Effect of Death of Appointor or Revocation of Appointment**.

(a) A vote cast in accordance with an instrument appointing a proxy shall be valid notwithstanding the prior death, legal incompetence or bankruptcy of the appointing Shareholder (or of his or her attorney-in-fact, if any, who signed such instrument) or the transfer of the share(s) in respect of which such vote is cast, unless written notice of such matters shall have been received by the Company or by the Chairperson of such meeting prior to such vote being cast.

(b) Subject to the Companies Law, an instrument appointing a proxy shall be deemed revoked (i) upon receipt by the Company or the Chairperson of such meeting, subsequent to receipt by the Company of such instrument, of written notice signed by the person signing such instrument or by the Shareholder appointing such proxy canceling the appointment thereunder (or the authority pursuant to which such instrument was signed) or of an instrument appointing a different proxy (and such other documents, if any, required under Article 33(b) for such new appointment), provided such notice of cancellation or instrument appointing a different proxy were so received at the place and within the time for delivery of the instrument revoked thereby as referred to in Article 33(b) hereof, or (ii) if the appointing Shareholder is present in person at the meeting for which such instrument of proxy was delivered, upon receipt by the Chairperson of such meeting of written notice from such Shareholder of the revocation of such appointment, or if and when such Shareholder votes at such meeting. A vote cast in accordance with an instrument appointing a proxy shall be valid notwithstanding the revocation or purported cancellation of the appointment, or the presence in person or vote of the appointing Shareholder at a meeting for which it was rendered, unless such instrument of appointment was deemed revoked in accordance with the foregoing provisions of this Article 34(b) at or prior to the time such vote was cast.

Board of Directors

35. **Powers of the Board of Directors**.

(a) The Board of Directors may exercise all such powers and do all such acts and things as the Board of Directors is authorized by law or as the Company is authorized to exercise and do and are not hereby or by law required to be exercised or done by the General Meeting. The authority conferred on the Board of Directors by this Article 35 shall be subject to the provisions of the Companies Law, these Articles and any resolution consistent with these Articles adopted from time to time at a General Meeting, provided, however, that no such resolution shall invalidate any prior act done by or pursuant to a decision of the Board of Directors which would have been valid if such resolution had not been adopted.

(b) Without limiting the generality of the foregoing, the Board of Directors may, from time to time, set aside any amount(s) out of the profits of the Company as a reserve or reserves for any purpose(s) which the Board of Directors, in its absolute discretion, shall deem fit, including without limitation, capitalization and distribution of bonus shares, and may invest any sum so set aside in any manner and from time to time deal with and vary such investments and dispose of all or any part thereof, and employ any such reserve or any part thereof in the business of the Company without being bound to keep the same separate from other assets of the Company, and may subdivide or re-designate any reserve or cancel the same or apply the funds therein for another purpose, all as the Board of Directors may, in its absolute discretion, from time to time think fit.

36. **Exercise of Powers of the Board of Directors**.

(a) A meeting of the Board of Directors at which a quorum is present shall be competent to exercise all the authorities, powers and discretion vested in or exercisable by the Board of Directors.

(b) A resolution proposed at any meeting of the Board of Directors shall be deemed adopted if approved by a majority of the Directors present, entitled to vote and voting thereon when such resolution is put to a vote.

(c) The Board of Directors may adopt resolutions, without convening a meeting of the Board of Directors, in writing or in any other manner permitted by the Companies Law.

37. **Delegation of Powers**.

(a) The Board of Directors may, subject to the provisions of the Companies Law, delegate any or all of its powers to Committees, each consisting of one or more persons, and it may from time to time revoke such delegation or alter the composition of any such Committee. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any rules imposed on it by the Board of Directors, subject to applicable law. No rule imposed by the Board of Directors on any Committee and no resolution of the Board of Directors shall invalidate any prior act done pursuant to a resolution by a Committee which would have been valid if such rule or resolution of the Board of Directors had not been adopted. The meeting and proceedings of any such Committee shall, *mutatis mutandis*, be governed by the provisions herein contained for regulating the meetings of the Board of Directors, so far as not superseded by any rules or resolutions adopted by the Board of Directors or by the Companies Law. Unless otherwise expressly permitted by the Board of Directors, in delegating powers to a Committee, such Committee shall not be empowered to further delegate such powers.

(b) Notwithstanding anything to the contrary herein, the Board of Directors may, from time to time, appoint ad-hoc or standing committees for such purposes determined by the Board of Directors, each consisting of one or more persons (including persons who are not Directors and external advisors and experts), and it may, from time to time, change the composition, purpose or mandate of, or dissolve, any such committee. Any committee so formed shall conform to any rules imposed on it by the Board of Directors, subject to applicable law. The meeting and proceedings of any such committee shall, *mutatis mutandis*, be governed by the provisions herein contained for regulating the meetings of the Board of Directors, so far as not superseded by any rules or resolutions adopted by the Board of Directors or by the Companies Law.

(c) Without derogating from the provisions of Article 48, the Board of Directors may from time to time appoint a Secretary of the Company, as well as officers, agents, employees and independent contractors, as the Board of Directors deems fit, and may terminate the service of any such person. The Board of Directors may, subject to the provisions of the Companies Law, determine the powers and duties, as well as the salaries and compensation, of all such persons.

(d) The Board of Directors may from time to time, by power of attorney or otherwise, appoint any person, company, firm or body of persons to be the attorney or attorneys of the Company at law or in fact for such purposes(s) and with such powers, authorities and discretions, and for such period and subject to such conditions, as it deems fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board of Directors deems fit, and may also authorize any such attorney to delegate all or any of the powers, authorities and discretions vested in him or her.

38. **Number of Directors**.

(a) The Board of Directors shall consist of such number of Directors (not less than three nor more than 11, including the External Directors, if any were elected) as may be fixed from time to time by the Board of Directors. The number of External Directors, if any, shall be fixed from time to time by the Board of Directors.

(b) Notwithstanding anything to the contrary herein, this Article 38 may only be amended or replaced by a resolution adopted at a General Meeting by a majority of at least 55% of the total voting power of the Company's shareholders.

39. **Election and Removal of Directors**.

(a) The Directors (excluding the External Directors if any were elected), shall be classified, with respect to the term for which they each severally hold office, into three classes, as nearly equal in number as practicable, hereby designated as Class I, Class II and Class III (each, a "**Class**").

(i) The term of office of the initial Class I directors shall expire at the Annual General Meeting to be held in 2025,

(ii) The term of office of the initial Class II directors shall expire at the first Annual General Meeting following the Annual General Meeting referred to in clause (i) above, and

(iii) The term of office of the initial Class III directors shall expire at the first Annual General Meeting following the Annual General Meeting referred to in clause (ii) above.

(b) At each Annual General Meeting, commencing with the Annual General Meeting to be held in 2025, each person to be elected at such Annual General Meeting to serve as a Director in a Class whose term shall have expired at such Annual General Meeting shall be elected to hold office until the third Annual General Meeting next succeeding his or her election.

(c) If the number of Directors (excluding External Directors, if any were elected) that comprises the Board of Directors is changed by the Board of Directors, any newly created directorships or decrease in directorships shall be so apportioned by the Board of Directors among the Classes as to make all Classes as nearly equal in number as is practicable, provided that no decrease in the number of Directors constituting the Board of Directors shall shorten the term of any incumbent Director.

(d) Prior to every Annual General Meeting of the Company at which Directors are to be elected, and subject to clauses (a), (b) and (g) of this Article 39, the Board of Directors (or a Committee thereof) shall select, by a resolution adopted by the Board of Directors (or such Committee), a number of persons to be proposed to the Shareholders for election as Directors at such Annual General Meeting (the "**Nominees**").

(e) Any Proposing Shareholder requesting to include on the agenda of an Annual General Meeting a nomination of a person to be proposed to the Shareholders for election as a Director (such person, an "**Alternate Nominee**"), may so request provided that it complies with this Article 39(e), Article 25 and applicable law and stock exchange rules and regulations. In addition to any information required to be included in accordance with applicable law and stock exchange rules and regulations, such a Proposal Request shall include information required pursuant to Article 25, and shall also set forth: (i) the name, address, telephone number and email address of the Alternate Nominee and all citizenships and residencies of the Alternate Nominee; (ii) a description of all arrangements, relations or understandings during the past three years, and any other material relationships, between the Proposing Shareholder(s) or any of its affiliates and each Alternate Nominee; (iii) a declaration signed by the Alternate Nominee that he or she consents to be named in the Company's notices and proxy materials and on the Company's proxy card relating to the Annual General Meeting, if provided or published, and that he or she, if elected, consents to serve on the Board of Directors and to be named in the Company's disclosures and filings; (iv) a declaration signed by each Alternate Nominee as required under the Companies Law and any other applicable law and stock exchange rules and regulations for the appointment of such Alternate Nominee and an undertaking that all of the information that is required under applicable law and stock exchange rules and regulations to be provided to the Company in connection with his or her appointment has been provided (including, information in respect of the Alternate Nominee as would be provided in response to the applicable disclosure requirements under Form 20-F or any other applicable form(s) prescribed by the United States Securities and Exchange Commission (the "**SEC**")); (v) a declaration made by the Alternate Nominee of whether he or she meets the criteria for an independent director of the Company and, if applicable, External Director of the Company under the Companies Law and/or under any applicable law, regulation or stock exchange rules, and if not, then an explanation of why not; and (vi) any other information required at the time of submission of the Proposal Request by applicable law, regulations or stock exchange rules. In addition, the Proposing Shareholder(s) and each Alternate Nominee shall promptly provide any other information reasonably requested by the Company, including duly completed director and officer questionnaires, in such forms as may be provided by the Company, with respect to each Alternate Nominee. The Board of Directors may refuse to acknowledge the nomination of any person not made in compliance with the foregoing. The Company shall be entitled to publish any information provided by a Proposing Shareholder or Alternate Nominee pursuant to this Article 39(e) and Article 25, and the Proposing Shareholder and Alternate Nominee shall be responsible for the accuracy and completeness thereof. The provisions of Article 25(b) shall apply to the information required pursuant to this Article 39(e).

(f) Nominees or Alternate Nominees shall be elected by a resolution adopted at the Annual General Meeting at which they are subject to election. In the event of a Contested Election (as defined below), the method of calculation of the votes and the manner in which the resolutions will be presented to the Annual General Meeting shall be determined by the Board of Directors in its discretion. In the event that the Board of Directors does not or is unable to make a determination on such matter, then the method described in clause (ii) below shall apply. The Board of Directors may consider, among other things, the following methods: (i) election of competing slates of Director nominees (determined in a manner approved by the Board of Directors) by a majority of the voting power represented at the Annual General Meeting in person or by proxy and voting on such competing slates, (ii) election of individual Directors by a plurality of the voting power represented at the Annual General Meeting in person or by proxy and voting on the election of Directors (which shall mean that the nominees receiving the largest number of "for" votes will be elected in such Contested Election, provided that in the event of a tie, Nominees shall be given precedence over Alternate Nominees), (iii) election of each nominee by a majority of the voting power represented at the Annual General Meeting in person or by proxy and voting on the election of Directors, provided that, as among such nominees the election shall be by plurality of the voting power as described above, and (iv) such other method of voting as the Board of Directors shall determine. The Board of Directors may also consider the use of a "universal proxy card" listing all Nominees and Alternate Nominees. For the purposes of these Articles, election of Directors at an Annual General Meeting shall be considered a "Contested Election" if the aggregate number of Nominees and Alternate Nominees at such meeting exceeds the total number of Directors to be elected at such meeting, with the determination thereof being made by the Secretary of the Company (or, in the absence thereof, by the Chief Executive Officer of the Company); provided, however, that the determination that an election is a Contested Election shall not be determinative as to the validity of any notice of nomination; and provided, further, that, if, prior to the time the Company mails its initial proxy statement in connection with such election of Directors, one or more notices of nomination of an Alternate Nominee are withdrawn such that the number of candidates for election as a Director no longer exceeds the number of Directors to be elected, the election shall not be considered a Contested Election. Shareholders shall not be entitled to cumulative voting in the election of Directors, except to the extent specifically set forth in this Article 39(f).

(g) Directors whose term of office has expired or terminated may be re-elected.

(h) In the event of any contradiction between the provisions of this Article 39 and the provisions of the Companies Law relating to the election, dismissal or term of office of External Directors, the applicable provisions set forth in the Companies Law shall govern with respect to External Directors.

(i) Notwithstanding anything to the contrary herein, this Article 41 may only be amended or replaced by a resolution adopted at a General Meeting by a majority of at least 55% of the total voting power of the Company's shareholders.

40. **Commencement of Directorship**.

Without derogating from Article 39, the term of office of a Director shall commence as of the date of his or her appointment or election, or on a later date if so specified in his or her appointment or election.

41. **Continuing Directors in the Event of Vacancies**.

(a) Notwithstanding anything to the contrary in these Articles, the Board of Directors may at any time and from time to time appoint any person as a Director to fill a vacancy (whether such vacancy is due to a Director no longer serving or due to the number of Directors serving being less than the maximum number stated in Article 38 hereof). In the event of one or more such vacancies in the Board of Directors, the continuing Directors may continue to act in every matter, provided, however, that if they number less than the minimum number provided for in Article 38 hereof, they may only act in an emergency or to fill the office of a Director which has become vacant up to a number equal to the minimum number provided for in Article 38 hereof, or in order to call a General Meeting of the Company for the purpose of electing Directors to fill any or all vacancies. The office of a Director that was appointed by the Board of Directors to fill any vacancy shall only be for the remaining period of time during which the Director whose service has ended was filled would have held office, or in case of a vacancy due to the number of Directors serving being less than the maximum number stated in Article 38 hereof, the Board of Directors shall determine at the time of appointment the Class pursuant to Article 39 to which the additional Director shall be assigned.

(b) Notwithstanding anything to the contrary herein, this Article 41 may only be amended or replaced by a resolution adopted at a General Meeting by a majority of at least 55% of the total voting power of the Company's shareholders.

42. **Vacation of Office**.

The office of a Director shall be vacated and he or she shall be dismissed or removed:

(a) ipso facto, upon his or her death;

(b) if he or she is prevented by applicable law from serving as a Director;

(c) if the Board of Directors determines that due to his or her mental or physical state he or she is unable to serve as a director;

(d) if his or her directorship expires pursuant to these Articles and/or applicable law;

(e) by a resolution adopted at a General Meeting by a majority of at least 55% of the total voting power of the Company's shareholders (with such removal becoming effective on the date fixed in such resolution);

(f) by his or her written resignation, such resignation becoming effective on the date fixed therein, or upon the delivery thereof to the Company, whichever is later; or

(g) with respect to an External Director, if so elected, and notwithstanding anything to the contrary herein, only pursuant to applicable law.

Notwithstanding anything to the contrary herein, this Article 42 may only be amended or replaced by a resolution adopted at a General Meeting by a majority of at least 55% of the total voting power of the Company's shareholders.

43. **Conflict of Interests; Approval of Related Party Transactions**.

(a) Subject to the provisions of the Companies Law and these Articles, no Director shall be disqualified by virtue of his or her office from holding any office or place of profit in the Company or in any company in which the Company shall be a shareholder or otherwise interested, or from contracting with the Company as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested, be avoided, nor, other than as required under the Companies Law, shall any Director be liable to account to the Company for any profit arising from any such office or place of profit or realized by any such contract or arrangement by reason only of such Director's holding that office or of the fiduciary relations thereby established, but the nature of his or her interest, as well as any material fact or document, must be disclosed by him or her at the meeting of the Board of Directors at which the contract or arrangement is first considered, if his or her interest then exists, or, in any other case, at no later than the first meeting of the Board of Directors after the acquisition of his or her interest.

(b) Subject to the Companies Law and these Articles, unless otherwise permitted thereby, a transaction between the Company and an Office Holder, and a transaction between the Company and another person in which an Office Holder of the Company has a personal interest, in each case, which is not an Extraordinary Transaction (as defined in the Companies Law), shall require only approval by the Board of Directors or a Committee. Such authorization, as well as the actual approval, may be for a particular transaction or more generally for specific types of transactions.

Proceedings of the Board of Directors

44. **Meetings**.

(a) The Board of Directors may meet and adjourn its meetings and otherwise regulate such meetings and proceedings as the Board of Directors thinks fit.

(b) Any Director may, at any time, and the Secretary of the Company, upon the request of such Director, shall, convene a meeting of the Board of Directors, but not less than forty-eight (48) hours' notice shall be given of any meeting so convened, unless such notice is waived by all of the Directors as to a particular meeting or unless the matters to be discussed at such meeting are of such urgency and importance, as determined by the Chairperson, that notice ought reasonably to be waived under the circumstances.

(c) Notice of any such meeting shall be given in writing or by mail, facsimile, email or such other means of delivery of notices as the Company may apply from time to time.

(d) Notwithstanding anything to the contrary herein, failure to deliver notice to a Director of any such meeting in the manner required hereby may be waived by such Director, and a meeting shall be deemed to have been duly convened notwithstanding such defective notice if such failure or defect is waived prior to action being taken at such meeting by all Directors entitled to participate at such meeting to whom notice was not duly given as aforesaid. Without derogating from the foregoing, no Director present at any time during a meeting of the Board of Directors shall be entitled to seek the cancellation or invalidation of any proceedings or resolutions adopted at such meeting on account of any defect in the notice of such meeting relating to the date, time or the place thereof or the convening of the meeting.

45. **Quorum**.

Until otherwise unanimously decided by the Board of Directors, a quorum at a meeting of the Board of Directors shall be constituted by the presence in person or by any means of communication of a majority of the Directors then in office who are lawfully entitled to participate and vote at the meeting. No business shall be transacted at a meeting of the Board of Directors unless the requisite quorum is present (in person or by any means of communication on the condition that all participating Directors can hear each other simultaneously) when the meeting proceeds to business. If within 30 minutes from the time appointed for a meeting of the Board of Directors a quorum is not present, the meeting shall stand adjourned at the same place and time 48 hours thereafter unless the Chairperson has determined that there is such urgency and importance that a shorter period is required under the circumstances. If an adjourned meeting is convened in accordance with the foregoing and a quorum is not present within 30 minutes of the appointed time, the requisite quorum at such adjourned meeting shall be any two Directors, if the number of then serving Directors is five or less, and any three Directors, if the number of then serving Directors is more than five, in each case who are lawfully entitled to participate and vote at the meeting and who are present at such adjourned meeting. At an adjourned meeting of the Board of Directors, the only matters to be considered shall be those matters which might have been lawfully considered at the meeting of the Board of Directors originally called if a requisite quorum had been present, and the only resolutions to be adopted are such types of resolutions which could have been adopted at the meeting of the Board of Directors originally called.

46. **Chairperson of the Board of Directors**.

The Board of Directors shall, from time to time, elect one of its members to be the Chairperson of the Board of Directors, and may remove such person as Chairperson and appoint another Director as Chairperson in his or her place. The Chairperson of the Board of Directors shall preside at every meeting of the Board of Directors, but if there is no such Chairperson, or if at any meeting he or she is not present within 15 minutes of the time fixed for the meeting or if he or she is unwilling to take the chair, the Directors present shall choose one of the Directors present at the meeting to be the Chairperson of such meeting. The office of Chairperson of the Board of Directors shall not, by itself, entitle the holder to a second or casting vote.

47. **Validity of Acts Despite Defects**.

All acts done or transacted at any meeting of the Board of Directors, or of a Committee, or by any person(s) acting as Director(s), shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of the participants in such meeting or any of them or any person(s) acting as aforesaid, or that they or any of them were disqualified, be as valid as if there were no such defect or disqualification.

Chief Executive Officer

48. **Chief Executive Officer**.

(a) The Board of Directors shall from time to time appoint one or more persons, whether or not Directors, as Chief Executive Officer of the Company, and may confer upon such person(s), and from time to time modify or revoke, such titles and such duties and authorities of the Board of Directors as the Board of Directors may deem fit, subject to such limitations and restrictions as the Board of Directors may from time to time prescribe. Such appointment(s) may be either for a fixed term or without any limitation of time, and the Board of Directors may from time to time (subject to any additional approvals required under, and the provisions of, the Companies Law and of any contract between any such person and the Company) fix their salaries and compensation, remove or dismiss them from office and appoint another or others in his, her or their place or places.

(b) Unless otherwise determined by the Board of Directors, the Chief Executive Officer shall have authority with respect to the management and operations of the Company in the ordinary course of business.

Minutes

49. **Minutes**.

Any minutes of the General Meeting or the Board of Directors or any committee thereof, if purporting to be signed by the Chairperson of the General Meeting, the Board of Directors or a committee thereof, as the case may be, or by the Chairperson of the next succeeding General Meeting, meeting of the Board of Directors or meeting of a committee thereof, as the case may be, shall constitute prima facie evidence of the matters recorded therein. For purposes of this Article 49, "committee" shall include a Committee.

Dividends

50. **Declaration of Dividends**.

The Board of Directors may from time to time declare, and cause the Company to pay such dividends as permitted by the Companies Law. The Board of Directors shall determine the time for payment of such dividends and the record date for determining the shareholders entitled thereto.

51. **Amount Payable by Way of Dividends**.

Subject to the provisions of these Articles and subject to the rights or conditions attached at that time to any share in the capital of the Company granting preferential, special or deferred rights or not granting any rights with respect to dividends, any dividend paid by the Company shall be allocated among the shareholders (not in default in payment of any sum referred to in Article 13 hereof) entitled thereto on a *pari passu* basis in proportion to their respective holdings of the issued and outstanding shares in respect of which such dividends are being paid.

52. **Interest**.

No dividend shall carry interest as against the Company.

53. **Implementation of Powers**.

The Board of Directors may settle, as it deems fit, any difficulty arising with regard to the distribution of dividends, bonus shares or otherwise, and in particular, to issue certificates for fractions of shares and sell such fractions of shares in order to pay their consideration to those entitled thereto, or to set the value for the distribution of certain assets and to determine that cash payments shall be paid to the Shareholders on the basis of such value, or that fractions whose value is less than U.S. $0.01 shall not be taken into account. The Board of Directors may instruct to pay cash or convey these certain assets to a trustee in favor of those people who are entitled to a dividend, as the Board of Directors shall deem appropriate.

54. **Deductions from Dividends**.

The Board of Directors may deduct from any dividend or other moneys payable to any Shareholder in respect of a share any and all sums of money then payable by such Shareholder to the Company on account of calls or otherwise in respect of shares of the Company and/or on account of any other matter of transaction whatsoever.

55. **Retention of Dividends**.

(a) The Board of Directors may retain any dividend or other moneys payable or property distributable in respect of a share on which the Company has a lien, and may apply the same in or toward satisfaction of the debts, liabilities, or engagements in respect of which the lien exists.

(b) The Board of Directors may retain any dividend or other moneys payable or property distributable in respect of a share in respect of which any person is, under Articles 21 or 22, entitled to become a Shareholder, or which any person is, under said Articles, entitled to transfer, until such person shall become a Shareholder in respect of such share or shall transfer the same.

56. **Unclaimed Dividends**.

All unclaimed dividends or other moneys payable in respect of a share may be invested or otherwise made use of by the Board of Directors for the benefit of the Company until claimed. The payment of any unclaimed dividend or such other moneys into a separate account shall not constitute the Company a trustee in respect thereof, and any dividend unclaimed after a period of seven years from the date of declaration of such dividend, and any such other moneys unclaimed after a like period from the date the same were payable, shall be forfeited and shall revert to the Company, provided, however, that the Board of Directors may, at its discretion, cause the Company to pay any such dividend or such other moneys, or any part thereof, to a person who would have been entitled thereto had the same not reverted to the Company. The principal (and only the principal) of any unclaimed dividend of such other moneys shall be, if claimed, paid to a person entitled thereto.

57. **Mechanics of Payment**.

Any dividend or other moneys payable in cash in respect of a share, less the tax required to be withheld pursuant to applicable law, may, as determined by the Board of Directors in its sole discretion, be paid by check or warrant sent through the post to, or left at, the registered address of the person entitled thereto or by transfer to a bank account specified by such person (or, if two or more persons are registered as joint holders of such share or are entitled jointly thereto in consequence of the death or bankruptcy of the holder or otherwise, to the joint holder whose name is registered first in the Register of Shareholders or his or her bank account or the person who the Company may then recognize as the owner thereof or entitled thereto under Article 21 or 22 hereof, as applicable, or such person's bank account), or to such person and at such other address as the person entitled thereto may by writing direct, or in any other manner the Board of Directors deems appropriate. Every such check or warrant or other method of payment shall be made payable to the order of the person to whom it is sent, or to such person as the person entitled thereto as aforesaid may direct, and payment of the check or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such check shall be sent at the risk of the person entitled to the money represented thereby.

58. **Receipt from a Joint Holder**.

If two or more persons are registered as joint holders of any share, or are entitled jointly thereto in consequence of the death or bankruptcy of the holder or otherwise, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable in respect of such share.

Accounts

59. **Books of Account**.

The Company's books of account shall be kept at the Office, or at such other place or places as the Board of Directors may think fit, and they shall always be open to inspection by all Directors. No shareholder, without derogating from previous sentence, shall have any right to inspect any account or book or other similar document of the Company, except as conferred by law or authorized by the Board of Directors. The Company shall make copies of its annual financial statements available for inspection by the Shareholders at the principal offices of the Company. The Company shall not be required to send copies of its annual financial statements to the Shareholders.

60. **Auditors**.

The appointment, authorities, rights and duties of the auditor(s) of the Company shall be regulated by applicable law, provided, however, that in exercising its authority to fix the remuneration of the auditor(s), the Shareholders in a General Meeting may act (and in the absence of any action in connection therewith shall be deemed to have so acted) to authorize the Board of Directors (with right of delegation to a Committee thereof or to management) to fix such remuneration subject to criteria or standards, and if no such criteria or standards are so provided, such remuneration shall be fixed in an amount commensurate with the volume and nature of the services rendered by such auditor(s). The General Meeting may, if so recommended by the Board of Directors, appoint the auditors for a period that may extend until the third Annual General Meeting after the Annual General Meeting in which the auditors were appointed.

61. **Internal auditor.**

To the extent required by the Companies Law, the Board of Directors will appoint an internal auditor ("**Internal Auditor**"). The Internal Auditor shall submit, for the approval of the Board of Directors or the audit committee of the Company, as determined by the Board of Directors, a proposal for an annual or periodic work plan, and the Board of Directors or the audit committee shall approve such plan with such changes as it deems fit. Unless the Board of Directors determines otherwise, the work plan shall be submitted to the Board of Directors and approved by it.

Supplementary Registers

62. **Supplementary Registers**.

Subject to and in accordance with the provisions of Sections 138 and 139 of the Companies Law, the Company may cause supplementary registers to be kept in any place outside Israel as the Board of Directors may think fit, and, subject to applicable requirements of law, the Board of Directors may from time to time adopt such rules and procedures as it may think fit in connection with the keeping of such supplementary registers.

Exemption, Indemnity and Insurance

63. **Insurance**.

Subject to the provisions of the Companies Law with regard to such matters, the Company may enter into a contract for the insurance of the liability, in whole or in part, of any Office Holders of the Company imposed on such Office Holder due to or in connection with an act performed by such Office Holder in his or her capacity as an Office Holder of the Company, including in advance, arising from any matter permitted by law, including the following:

(a) a breach of duty of care to the Company or to any other person;

(b) a breach of duty of loyalty to the Company, provided that the Office Holder acted in good faith and had reasonable grounds to assume that the act that resulted in such breach would not prejudice the interests of the Company;

(c) a financial liability imposed on such Office Holder in favor of any other person; and

(d) any other event, occurrence, matter or circumstance under any law with respect to which the Company may, or will be able to, insure an Office Holder, and to the extent such law requires the inclusion of a provision permitting such insurance in these Articles, then such provision is deemed to be included and incorporated herein by reference (including, without limitation, in accordance with Section 56h(b)(1) of the Securities Law, if and to the extent applicable, and Section 50P(b)(2) of the Economic Competition Law).

64. **Indemnity**.

(a) Subject to the provisions of the Companies Law, the Company may indemnify an Office Holder of the Company with respect to the liabilities and expenses specified in Sub-Articles 64(a)(i) to 64(a)(iv) below imposed on such Office Holder or incurred by such Office Holder due to or in connection with an act performed by such Office Holder in his or her capacity as an Office Holder of the Company:

(i) a financial liability imposed on or incurred by an Office Holder in favor of another person pursuant to any court judgment, including a judgment rendered in the context of a settlement or an arbitrator's award approved by a court;

(ii) reasonable litigation expenses, including attorneys' fees, incurred by the Office Holder as a result of an investigation or proceeding instituted against him or her by an authority authorized to conduct such investigation or proceeding, and that was concluded without the filing of an indictment against the Office Holder and without imposing on the Office Holder a financial liability in lieu of a criminal proceeding, or that was concluded without the filing of an indictment against the Office Holder but imposing a financial liability in lieu of a criminal proceeding for an offense that does not require proof of *mens rea*, or in connection with a financial sanction. In this clause, the terms or phrases "conclusion of a proceeding without the filing of an indictment," "financial liability in lieu of a criminal proceeding" and "financial sanction," or similar terms or phrases, shall have the meanings assigned to such terms or phrases or referred to, if assigned or referred to, in the Companies Law;

(iii) reasonable litigation expenses, including attorneys' fees, incurred by an Office Holder or which were imposed on an Office Holder by a court in proceedings instituted against the Office Holder by the Company or on its behalf or by any other person, or in connection with a criminal charge from which the Office Holder was acquitted or for which the Office Holder was convicted for an offense that does not require proof of *mens rea*; and

(iv) any other event, occurrence, matter or circumstance under any law with respect to which the Company may, or will be able to, indemnify an Office Holder, and to the extent such law requires the inclusion of a provision permitting such indemnity in these Articles, then such provision is deemed to be included and incorporated herein by reference (including, without limitation, in accordance with Section 56h(b)(1) of the Securities Law, if and to the extent applicable, and Section 50P(b)(2) of the Economic Competition Law).

(b) Subject to the provisions of the Companies Law, the Company may undertake to indemnify an Office Holder, in advance, with respect to the liabilities and expenses specified in the following Articles:

(i) Sub-Articles 64(a)(ii) to 64(a)(iv); and

(ii) Sub-Article 64(a)(i), provided that the undertaking to indemnify shall:

A. be limited to such events which the Board of Directors shall deem to be likely to occur in light of the operations of the Company at the time that the undertaking to indemnify is made and for such amounts or criteria which the Board of Directors may, at the time of the giving of such undertaking to indemnify, deem to be reasonable under the circumstances; and

B. set forth such events which the Board of Directors shall deem to be foreseeable in light of the operations of the Company at the time that the undertaking to indemnify is made, and the amounts and/or criteria which the Board of Directors may, at the time of the giving of such undertaking to indemnify, deem to be reasonable under the circumstances.

65. **Exemption**.

Subject to the provisions of the Companies Law or other applicable law, the Company may exempt and release, including in advance, any Office Holder from any liability to the Company for damages arising out of a breach of the Office Holder's duty of care towards the Company in his or her capacity as an Office Holder of the Company.

66. **General**.

(a) Any amendment to the Companies Law or other applicable law adversely affecting the right of any Office Holder to be indemnified or insured pursuant to Articles 63 to 65 and any amendments to Articles 63 to 65 shall be prospective in effect, and shall not affect the Company's obligation or ability to indemnify or insure an Office Holder for any act or omission occurring prior to such amendment, unless otherwise provided by applicable law.

(b) The provisions of Articles 63 to 65 (i) shall apply to the maximum extent permitted by law (including, the Companies Law, the Securities Law and the Economic Competition Law); and (ii) are not intended, and shall not be interpreted so as to restrict the Company, in any manner, in respect of the procurement of insurance and/or in respect of indemnification (whether in advance or retroactively) and/or exemption, in favor of any person who is not an Office Holder, including, without limitation, any employee, agent, consultant or contractor of the Company who is not an Office Holder; and/or any Office Holder to the extent that such insurance and/or indemnification is not specifically prohibited under law.

(c) In Articles 63 to 65, "capacity as an Office Holder of the Company" shall include capacity as a director, officer, employee, agent or fiduciary of the Company, any subsidiary thereof or any other corporation, collaboration, partnership, joint venture, trust or other enterprise, in which the Office Holder serves at any time at the request of the Company (the "**Corporate Capacity**"). The phrase "an act performed in his or her capacity as an Office Holder" shall include any act, omission or failure to act and any other circumstances relating to or arising from the Office Holder's service in a Corporate Capacity.

Winding Up

67. **Winding Up**.

If the Company is wound up, then, subject to applicable law and to the rights of the holders of shares with special rights upon winding up, the assets of the Company available for distribution among the shareholders shall be distributed to them in proportion to the par value of their respective holdings of the shares in respect of which such distribution is being made, provided, however, that if a class of shares has no par value, then the assets of the Company legally available for distribution among the holders of such class shall be distributed to them in proportion of their respective holdings of the shares in respect of which such distribution is made.

Notices

68. **Notices**.

(a) Any written notice or other document may be served by the Company upon any Shareholder either personally, by facsimile, email or other electronic transmission, or by sending it by prepaid mail or overnight courier (airmail or overnight air courier, if sent internationally) addressed to such Shareholder at his or her address set forth in the Register of Shareholders or such other address as he or she may have designated in writing for the receipt of notices and other documents.

(b) Any written notice or other document may be served by any Shareholder upon the Company by tendering the same in person to the Secretary of the Company or the Chief Executive Officer of the Company at the principal office of the Company, or by sending it by prepaid registered mail, postage prepaid, or overnight courier (registered airmail, postage prepaid, or overnight air courier, if posted outside Israel) to the Company at the principal office of the Company.

(c) Any such notice or other document shall be deemed to have been served:

(i) in the case of mailing, seven days from the date of posting, or when actually received by the addressee if sooner;

(ii) in the case of overnight courier, on the third business day in the jurisdiction of the addressee from the day sent, with receipt confirmed by the courier, or when actually received by the addressee, if sooner;

(iii) in the case of personal delivery, when actually tendered in person to such addressee;

(iv) in the case of facsimile transmission, on the day of transmission, provided that it is a business day in the jurisdiction of the addressee (during normal business hours at the place of the addressee), provided that the notice or other document shall not be deemed served if the sender receives an automatic system-generated response that such facsimile was undeliverable; or

(v) in the case of electronic mail, upon transmission, provided that the notice or other document shall not be deemed served if the sender receives an automatic system-generated response that such electronic mail was undeliverable or not delivered.

(d) If a notice or other document is, in fact, received by the addressee, it shall be deemed to have been duly served, when received, notwithstanding that it was defectively addressed or failed, in some other respect, to comply with the provisions of this Article 68.

(e) All notices or other document to be given to the shareholders shall, with respect to any share to which persons are jointly entitled, be given to whichever of such persons is named first in the Register of Shareholders, and any notice or other document so given shall be sufficient notice to all of the holders of such share.

(f) Any shareholder whose address is not set forth in the Register of Shareholders, and who shall not have designated in writing an address for the receipt of notices, shall not be entitled to receive any notice or other document from the Company.

(g) Notwithstanding anything to the contrary contained herein, notice by the Company of a General Meeting or any related materials which is published in either or several of the following manners (as applicable) shall be deemed to be notice of such meeting duly given or service of such materials on the date of such publication to any Shareholder entitled to receive same (including Shareholders whose address is registered in the Register of Shareholders, whether such Shareholder is located either inside or outside the State of Israel):

(i) if the Company's shares are then listed for trading on a national securities exchange in the United States or quoted in an over-the-counter market in the United States, publication pursuant to a report or a schedule filed with, or furnished to, the SEC pursuant to the Securities Exchange Act of 1934, as amended; and/or

(ii) on the Company's internet website.

(h) Article 68(g) shall apply to all other communications by the Company to its Shareholders, unless another form is otherwise required by applicable law.

(i) In cases where it is necessary to give advance notice of a particular number of days or notice which shall remain in effect for a particular period, the day the notice was sent shall be excluded and the day of the event or the last date of the period shall be included in the count, unless otherwise required by applicable law.

Forum for Adjudication of Disputes

69. **Forum for Adjudication of Disputes**.

(a) 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 for the resolution of any action asserting a claim arising under the U.S. Securities Act of 1933, as amended, against any person or entity, including such claims brought against the Company, its Directors, officers, employees, advisors, attorneys, accountants or underwriters; and

(b) Unless the Company consents in writing to the selection of an alternative forum, the competent courts in Tel Aviv, Israel shall be the exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any Director, officer or other employee of the Company to the Company or the Company's shareholders, or (iii) any action asserting a claim arising pursuant to any provision of the Companies Law or the Securities Law.

Any person or entity purchasing or otherwise acquiring or holding any interest in shares of the Company shall be deemed to have notice of and consented to these provisions.

* * *

Exhibit 4.1

AMENDED AND RESTATED
INVESTORS' RIGHTS AGREEMENT

This Amended and Restated Investors' Rights Agreement (this "**Agreement**") is made as of May 15, 2024 (the "**Effective Date**"), by and among Gauzy Ltd., a company organized under the laws of the State of Israel (the "**Company**"), Eyal Peso, Adrian Lofer and Dimitry Dobrenko (each, a Founder, and together, the "**Founders**"), and the persons and entities identified in **Schedule I** attached hereto (the "**Investors**").

W I T N E S S E T H :

WHEREAS, the Company, the Founders and certain of the Investors entered into that certain Amended and Restated Investors' Agreement, dated as of January 27, 2022 (the **Prior Agreement**");

WHEREAS, the Investors, the Founders and the Company desire to amend and restate the Prior Agreement as set forth herein and set forth certain matters regarding the ownership of the shares of the Company and to cancel and supersede the Prior Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the parties hereby agree as follows:

1. **Affirmative Covenants.**

1.1. Delivery of Financial Statements. The Company shall deliver to each Investor holding at least five percent (5%) of the Company's issued and outstanding shares, on an as-converted basis (each, an "**Entitled Holder**"):

1.1.1. As soon as practicable, but in any event within ninety (90) days after the end of each fiscal year of the Company, a consolidated balance sheet of the Company as of the end of such year, and statements of income and statements of cash flow of the Company for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, United States dollar-denominated, prepared in accordance with United States generally accepted accounting principles ("**GAAP**"), audited and prepared by a firm of independent public accountants in the State of Israel who are members of the Israeli Institute of Certified Public Accountants and affiliated with one of the "Big Four" U.S. accountant firms (the "**External Auditors**"), and accompanied by an opinion of such firm which opinion shall state that such balance sheet and statements of income and cash flow have been prepared in accordance with GAAP applied on a basis consistent with that of the preceding fiscal year, and present fairly and accurately the financial position of the Company as of their date, and that the audit by such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards;

1.1.2. As soon as practicable, but in any event within forty five (45) days after the end of each quarter of each fiscal year of the Company, an unaudited consolidated balance sheet of the Company as at the end of each such period and unaudited consolidated statements of (i) income and (ii) cash flow of the Company for such period and, in the case of the first, second and third quarterly periods, for the period from the beginning of the current fiscal year to the end of such quarterly period, setting forth in each case in comparative form the figures for the corresponding period of the previous fiscal year, all in reasonable detail, United States dollar-denominated and certified, by the chief financial officer (or if none, by the chief executive officer) of the Company (the "**CFO**"), that such financial statements were prepared in accordance with GAAP applied on a basis consistent with that of preceding periods and, except as otherwise stated therein, fairly present the financial position of the Company as of their date subject to (x) there being no footnotes contained therein and (y) changes resulting from year-end audit adjustments, and all reviewed by the External Auditors; and

1.1.3. As soon as practicable, but in any event within twenty-one (21) days after the end of each month, a report in a form agreed from time to time by the Company's Board of Directors (the "**Board**"), which report shall include a business and a financial summary of the Company's status.

1.2. Additional Information; Inspection.

1.2.1 The Company will permit the authorized representatives of each Entitled Holder, at its expense, full and free access, all at reasonable intervals and at reasonable times during reasonable business hours, and upon reasonable notice, to examine and/or inspect any of the properties of the Company, including its books and records, and to discuss its affairs, finances and accounts with the Company's officers, for any purpose whatsoever, provided, however that the Company shall not be obligated to provide access to any information, (i) that it reasonably and in good faith considers to be a trade secret or sensitive classified confidential information, the disclosure of which may adversely affect the Company and/or its interests (unless covered by an enforceable confidentiality agreement, in a form acceptable to the Company); (ii) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel; or (iii) the disclosure of which the Board, including with the affirmative consent of at least one of the Investor Directors (as defined in the Company's Articles of Association, as amended from time to time (the "**Articles**")) reasonably determines may result in a conflict of interest between the Company and such Entitled Holder. In addition, subject to the foregoing limitations, the Company will provide each Entitled Holder such other information and data with respect to the Company's financial condition, business, prospects, or corporate affairs, as the Entitled Holders may from time to time reasonably request. This Section 1.2 shall not be in limitation of any rights, which the Entitled Holders or the directors designated by the Investors may have under applicable law.

1.3. Accounting; Auditors. The Company will maintain a system of accounting established and administered in accordance with GAAP consistently applied, and will set aside on its books all such proper reserves as shall be required by GAAP. The Company's external auditors shall be independent public accountants in the State of Israel who are members of the Israeli Institute of Certified Public Accountants and affiliated with one of the "Big Four" U.S. accountant firms.

1.4. Insurance and Indemnity.

1.4.1. The Company shall maintain in full force and effect, term "key man" life and disability insurance (with the Company named as beneficiary) on the life of each Founder in the amount of one million US Dollars ($1,000,000) per person (and shall pay all premiums with respect thereto), unless determined otherwise by the Board.

1.4.2. The Company shall, at all times, maintain in full force and effect, directors' and officers' liability insurance in an amount of at least three million US Dollars ($3,000,000) in a form and coverage satisfactory to the holders of majority holdings of the Investors (and shall pay all premiums with respect thereto).

1.4.3. On or prior to the date hereof, the Company shall have executed a written indemnification agreement with its directors in a form satisfactory to the Investors Majority (as defined below), and shall hereafter maintain in full force and effect all necessary provisions under the Articles which are required in order to maintain the full force and effect of such indemnification agreements.

1.5. Annual Plan; Capitalization Table. The management of the Company shall establish annually an operating plan and budget for the Company (the "**Annual Plan**"), in consultation with the Board. The Annual Plan for the following year shall be submitted to the Board for its approval and shall be delivered to each Entitled Holder at least thirty (30) days prior to the first day of the year covered by such Annual Plan. Additionally, the Company shall deliver to each Entitled Holder who so requested, an updated capitalization table and option table as the end of each quarter, within seven (7) days following the end of such date.

1.6. Confidentiality. Each of the parties hereto agrees to keep confidential and not to disclose, and not to use for any purpose (other than in case of an Investor - for the purpose of monitoring their investment in the Company) any information obtained from the Company, including pursuant to Sections 1.1, 1.2 and 1.5 herein, without the prior written consent of the Company, unless such confidential information (i) is known or becomes known to the public in general (other than as result of a breach of this Section 1.6 by any of the parties hereto), (ii) is or has been independently developed or conceived by any of the parties hereto without use of the Company's confidential information or (iii) is or has been made known or disclosed to any of the parties hereto by a third party without a breach of any obligation of confidentiality such third party may have to the Company; provided that that a party hereto may disclose confidential information (A) to its attorneys, accountants, consultants, and other professionals to the extent necessary to obtain their services in connection with monitoring its investment in the Company or the enforcement of any of its rights as a shareholder of the Company (including any of its rights under this Agreement and the Articles) provided that such person is under an obligation to the Investor to keep such information confidential; (B) in connection with periodic reports to its shareholders or partners, the Investor may disclose information and make general statements, not containing technical or other confidential information, regarding the nature and progress of the Company's business and may provide summary information regarding the Company's financial information (including summary and general information regarding the Company's revenues and profits, in such scope and detail as determined by the Board; provided that such persons are under an obligation to the party hereto to keep such information confidential; (C) to any prospective purchaser of any Registrable Shares from such party, if such prospective purchaser is under an obligation to the party to keep such information confidential provided that such prospective purchaser is not a competitor of the Company; and provided further that such information shall not contain proprietary information or intellectual property or other confidential information; or (D) as may otherwise be required by law; provided, that such party promptly notifies the Company of such disclosure in advance and takes reasonable steps to minimize the extent of any such required disclosure. For the avoidance of doubt it is hereby clarified that as between the Company and Avery Dennison Israel Ltd., certain confidential information is and shall be disclosed between them pursuant to that certain Joint Product Agreement entered into on December 31, 2014, as amended (the "**Joint Product Agreement**"), and accordingly the confidential treatment of such information shall be solely governed by the terms of the Joint Product Agreement.

1.7. Right to Conduct Activities; Excluded Opportunities. The Company hereby agrees and acknowledges that SLO (together with its Affiliates as such term is defined in the Articles) is an active investor, and as such reviews the business plans and related proprietary information of many enterprises, some of which may compete directly or indirectly with the Company's business (as currently conducted or as currently propose to be conducted). Other than applicable law, nothing in this Agreement shall preclude or in any way restrict SLO from evaluating or purchasing securities, including publicly traded securities, of a particular enterprise, or investing or participating in any particular enterprise whether or not such enterprise has products or services which compete with those of the Company; and the Company hereby agrees that, to the maximum extent permitted under applicable law, SLO (and its Affiliates) may (i) invest in any entity competitive with the Company (any such company in which SLO or its Affiliates have invested, a "**Competitor**") or (ii) assist any such Competitor, whether or not such assistance is rendered as a member of the board of directors of such Competitor or otherwise, and whether or not such action has a detrimental effect on the Company; provided, however, that the foregoing shall not relieve (x) SLO from liability associated with the unauthorized disclosure of the Company's confidential information obtained pursuant to this Agreement, (y) any director or officer of the Company from any liability associated with his or her fiduciary duties to the Company; provided, that if SLO appoints a director in any Competitor, then no representative of SLO may serve as a director of the Company. Subject only to the provisions of the Israeli Companies Law, 1999 (the "**Companies Law**"), the Company waives to SLO any interest or expectancy of the Company in, or in being offered an opportunity to participate in, any Excluded Opportunity. An "**Excluded Opportunity**" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of, any director of the Company who is not an employee of the Company or any of its subsidiaries, (collectively, "**Covered Persons**"), other than such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of a Covered Person expressly and solely in such Covered Person's capacity as a director of the Company. Nothing herein is otherwise intended to restrict the activities of other Investors.

1.8. Reserved.

1.9. Termination of Financial Information and Other Rights. The Company's obligations and Investor rights under Sections 1.1, 1.2, 1.3, 1.4, 1.5., 1.7, and 2 herein shall terminate and shall be of no further force or effect upon the closing of the Company's initial firmly underwritten public offering of its Ordinary Shares pursuant to an effective registration statement under the United States Securities Act of 1933, as amended, the Israeli Securities Law of 1968, or any equivalent law of another jurisdiction (the "**Securities Act**") (the "**IPO**"). Thereafter, the Company shall deliver to each Entitled Holder, such financial information as the Company from time to time provides to other holders of its shares or is required to provide under the applicable law, which may be satisfied by filing or furnishing such information with or to the SEC's (as defined below) Electronic Data Gathering, Analysis and Retrieval System.

2. **United States Tax.**

2.1. The Investors shall reasonably cooperate with the Company to provide information about the Investors in order to enable the Company's tax advisors to determine the status of the Investors and/or any of the Investors' Partners as a "United States Shareholder" within the meaning of Section 951(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"). No later than two (2) months following the end of each Company taxable year, for so long as they are shareholders of the Company, the Company shall provide the following information to the Investors: (i) the Company's capitalization table as of the end of the last day of such taxable year, (ii) a report regarding the Company's status as a CFC and (iii) whether any portion of the Company's income is "subpart F income" (as defined in Section 952 of the Code) ("**Subpart F Income**"). In addition, the Company shall provide the Investors, upon reasonable prior coordination, with reasonable access to such other Company information as may be necessary for the Investor to determine the Company's status as a CFC and to determine whether the Investors or any of their Partners is required to report its pro rata portion of the Company's Subpart F Income on its United States federal income tax return, or to allow the Investors or their Partners to otherwise comply with applicable United States federal income tax laws. For purposes of this Section 2, the term "**Partners**" shall mean each of the Investors' respective partners and any direct or indirect equity owners of such partners.

2.2. In the event that the Company is determined by the Company's tax advisors or by counsel or accountants for any Investor or any of its affiliates to be a CFC, the Company agrees to use commercially reasonable efforts to avoid generating Subpart F Income.

2.3. The Company shall use its commercially reasonable efforts to avoid being a "passive foreign investment company" within the meaning of Section 1297 of the Code. In connection with a "Qualified Electing Fund" election made by the Investors' Partners pursuant to Section 1295 of the Code or a "Protective Statement" filed by the Investors' Partners pursuant to Treasury Regulation Section 1.1295-3, as amended (or any successor thereto), the Company shall provide annual financial information to the Investors in the form provided in the PFIC Exhibit attached hereto as Exhibit A (or in such other form as may be required to reflect changes in applicable law) as soon as reasonably practicable following the end of each taxable year of the Company (but in no event later than 60 days following the end of each such taxable year), and shall provide the Investors with access to such other Company information as may reasonably be required for purposes of filing U.S. federal income tax returns of the Investors' Partners in connection with any such Qualified Electing Fund election or Protective Statement.

2.4. The Company shall take such actions, including making an election to be treated as a corporation or refraining from making an election to be treated as a partnership, as may be required to ensure that at all times the company is classified as corporation for United States federal income tax purposes.

2.5. The Company shall cooperate with the Investors' tax advisors at least an annual basis regarding whether the Investors or any of their respective Partners' direct or indirect interest in the Company is subject to the reporting requirements of either or both of Sections 6038 and 6038B of the Code (and the Company shall duly inform the Investors of the results of such determination), and in the event that any Investor or any of the Investor's Partner's direct or indirect interest in Company is determined by the Company's tax advisors or the Investor's tax advisors to be subject to the reporting requirements of either or both of Sections 6038 and 6038B Company agrees, upon a request from such Investor, to provide such information to such Investor as may be necessary to fulfill such Investor's or such Investor's Partner's obligations thereunder.

2.6. Foreign Corrupt Practices Act. None of the Company or its subsidiaries, or any of their respective directors, officers, Board (supervisory and management) members or employees (in their capacity as such) shall make, directly or indirectly, any payment or promise to pay, or gift or promise to give or authorize such a promise or gift, of any money or anything of value, directly or indirectly, to: (a) any "foreign official" (as such term is defined in the United States Foreign Corrupt Practices Act for the purpose of influencing any official act or decision of such official or inducing him or her to use his or her influence to affect any act or decision of a governmental authority, or (b) any "foreign political party" or official thereof or "candidate for foreign political office" (as defined in the Foreign Corrupt Practices Act) for the purpose of influencing any official act or decision of such party, official or candidate or inducing such party, official or candidate to use his, her or its influence to affect any act or decision of a foreign governmental authority, in the case of both (a) and (b) above in order to assist the Company or any of its Affiliates (as such term is defined in the Articles) to obtain or retain business for, or direct business to the Company or any of its Affiliates, as applicable. None of the Company or its subsidiaries or any of their respective directors, officers, Board (supervisory and management) members or employees shall make any bribe, rebate, payoff, influence payment, kickback or other unlawful payment of funds or receive or retain any funds or any other thing of value in violation of any law, rule or regulation, including the United Kingdom Bribery Act. To the Company's knowledge, as of the date hereof no government official or candidate has any ownership interest in the Company or in the contractual relationship established by this Agreement.

3. Registration. The following provisions govern the registration of the Company's securities:

3.1. Definitions. As used herein, the following terms have the following meanings:

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"**Form F-1**" means such form (or Form S-1, as the case may be), or equivalent document or requirement, under the Securities Act as in effect on the date hereof or any successor or similar registration form under the Securities Act subsequently adopted by the SEC.

"**Form F-3**" means such form (or Form S-3, as the case may be), or equivalent document or requirement, under the Securities Act, as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC, which permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

"**Founders Registrable Shares**" means (i) the Ordinary Shares held by the Founders, (ii) all Ordinary Shares or other securities convertible into Ordinary Shares that a Founder may hereafter purchase pursuant to stock options, warrants, preemptive rights or rights of first refusal or otherwise, and (ii) any Ordinary Shares of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security that is issued as) a dividend or other distribution with respect to, or in exchange for, or in replacement of, the shares referenced in (i) to (ii) above, excluding in all cases, however, any Registrable Shares sold in a transaction in which rights under this Section 3 are not assigned.

"**Holder**" means any holder of outstanding Registrable Shares or any securities convertible or exercisable into Registrable Shares who is a party to this Agreement and who acquired such Registrable Shares or securities in a transaction or series of transactions not involving any registered public offering and any of such holder's respective successors, transferees and assigns to whom registration rights were properly assigned in accordance with this Agreement.

"**Initiating Holders**" means Holders of a majority of the Preferred Registrable Shares, assuming for purposes of such determination the conversion and exercise of all securities convertible or exercisable into Preferred Registrable Shares.

"**Ordinary Shares**" means ordinary shares of the Company.

"**Person**" means an individual, corporation, partnership, limited liability company, limited liability partnership, syndicate, person, trust, association, organization or other entity and including any successor, by merger or otherwise, of any of the foregoing.

"**Preferred Registrable Shares**" means (i) the Ordinary Shares issuable or issued upon conversion of the Preferred Shares of the Company, (ii) all Ordinary Shares or other securities convertible into Ordinary Shares that the Investors currently hold or may hereafter purchase pursuant to their preemptive rights, rights of first refusal or otherwise, and all Ordinary Shares issued on conversion or exercise of other securities so purchased, (iii) any Ordinary Shares of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security that is issued as) a dividend or other distribution with respect to, or in exchange for, or in replacement of, the shares referenced in (i) to (iii) above, excluding in all cases, however, any Registrable Shares sold in a transaction in which rights under this Section 3 are not assigned; and (iv) provided, however, with respect to OIC Growth Gauzy Holdings, LLC, the term "Preferred Registrable Shares" shall solely mean (1) Warrant Shares actually issued under that certain Warrant to Purchase Preferred Shares, dated January 29, 2024, between OIC Growth Gauzy Holdings, LLC and the Company (the "**Warrant Shares**"), (2) Ordinary Shares issued upon conversion of any Preferred Shares issued as Warrant Shares, (3) any Ordinary Shares of the Company issued as a dividend or other distribution with respect to, or in exchange for, or in replacement of, the shares referenced in (1) to (3) above, excluding in all cases, however, any Registrable Shares sold in a transaction in which rights under this Section 3 are not assigned, and the terms "Holder," "Initiating Holders," "Registrable Shares" and any other terms in this Agreement shall be likely construed.

"**Preferred Shares**" means Preferred Shares (as such term is defined in the Company's Articles of Association prior to the closing of an IPO) of the Company.

"**Register**", "**registered**" and "**registration**" refer to a registration effected by filing a registration statement in compliance with the Securities Act and the declaration or ordering by the SEC of effectiveness of such registration statement, or the equivalent actions under the laws of another jurisdiction.

"**Registrable Shares**" means the Preferred Registrable Shares and the Founders Registrable Shares. The number of shares of "Registrable Shares" outstanding shall be determined by the number of Ordinary Shares outstanding and/or issuable pursuant to then exercisable or convertible securities, that are, Registrable Shares.

"**SEC**" means the United States Securities and Exchange Commission, or any equivalent securities commission or equivalent authority of another jurisdiction.

3.2. Incidental Registration.

3.2.1. Beginning immediately following the closing of an IPO, if the Company proposes to register any of its shares or other securities under the Securities Act in connection with the public offering of such securities other than in a registration under Sections 3.3 or 3.4 herein, the Company shall notify all Holders of Registrable Shares in writing at least twenty (20) days prior to the filing of any registration statement under the Securities Act for purposes of an offering of securities of the Company (including, but not limited to, registration statements relating to the initial offering or secondary offerings of securities of the Company, but other than registration relating solely to employee benefit plans on Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a SEC Rule 145 transaction on Form F-4 or similar forms that may be promulgated in the future or that may apply under the laws of the applicable jurisdiction) and will afford each such Holder requesting to be included in such registration, in accordance with this Section 3.2, an opportunity to include in such registration statement all or part of such Registrable Shares held by such Holder. Each Holder desiring to include in any such registration statement all or any part of the Registrable Shares held by it shall, within twenty (20) days after delivery of the above-described notice by the Company, so notify the Company in writing specifying the number of Registrable Shares requested to be included. If a Holder decides not to include all of its Registrable Shares in any registration statement thereafter filed by the Company, such Holder shall nevertheless continue to have the right to include any Registrable Shares in any subsequent registration statement or registration statements as may be filed by the Company with respect to offerings of its securities, all upon the terms and conditions set forth herein. The number of occurrences of the registration pursuant to this Section 3.2 shall be unlimited.

3.2.2. If the registration statement under which the Company gives notice under this Section 3.2 is for an underwritten offering, the Company shall so advise the Holders of Registrable Shares as part of its notice made pursuant to Section 3.2.1. In such event, the right of any such Holder to be included in a registration pursuant to this Section 3.2 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Shares in the underwriting to the extent provided herein. All Holders proposing to distribute their Registrable Shares through such underwriting shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Company. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the underwriter(s).

3.2.3. Notwithstanding any other provision of this Agreement, if the underwriter(s) determines in good faith that marketing factors require a limitation of the number of shares (including Registrable Shares) to be underwritten, the number of shares that may be included in the underwriting shall be allocated, (i) first, to the Company, (ii) second, to the Holders of Preferred Registrable Shares pro-rata, based on the total number of Preferred Registrable Shares then held by the Holders of Preferred Registrable Shares requesting to be included in such registration; *provided, however*, that the number of Preferred Registrable Shares to be included in such underwriting and registration shall not be below 25% of the total amount of shares included in such registration; and (iii) third, to the Holders of Founders Registrable Shares pro-rata, based on the total number of Founders Registrable Shares then held by the Holders of Founder Registrable Shares requesting to be included in such registration. Any Registrable Shares excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration. There shall be no limit on the number of times that a Holder may request registration of Registrable Securities under this Section 3.2, and the registrations effected pursuant to this Section 3.2 shall not be counted as requests for registration effected pursuant to Section 3.3.

3.3. Demand Registration.

3.3.1. At any time (i) beginning six (6) months following the closing of the IPO and until the fifth (5^{th}) anniversary thereafter, or (ii) prior to the passage of six (6) months following the closing of an IPO, subject to the restrictions imposed by the underwriters in connection with the IPO, including pursuant to any "lock-up" agreements (which restrictions may be waived by the underwriters), the Initiating Holders may request in writing that all or part of the Preferred Registrable Shares shall be registered for trading on any securities exchange on which Ordinary Shares are then listed by the Company. Any such demand must request the registration of shares in a minimum amount of five million United States dollars ($5,000,000). Within thirty (30) days of the delivery of such written request by the Initiating Holders, the Company shall give written notice of such request to all Holders of Registrable Shares, and subject to the limitations of this Section 3.3, use its reasonable efforts to effect, as promptly as reasonably possible, the registration under the Securities Act of the Preferred Registrable Shares that the Holders as are specified in the Initiating Holders' request, together with the Registrable Shares of any Holder(s) joining in such request as are specified in a written request received by the Company within fifteen (15) days following delivery of the Company's notice hereunder.

3.3.2. Notwithstanding any other provision of this Section 3.3, if the underwriter(s) advises the Company that marketing factors require a limitation of the number of Registrable Shares to be underwritten then the Company shall so advise all Holders of Registrable Shares which would otherwise be underwritten pursuant hereto, and the number of Preferred Registrable Shares that may be included in the underwriting shall be allocated to the Holders of such Preferred Registrable Shares so requesting to be registered on a pro rata basis, based on the number of Preferred Registrable Shares then held by all such Holders; *provided, however*, that the number of Preferred Registrable Shares held by the Holders of Preferred Registrable Shares to be included in such underwriting and registration shall not be reduced unless all other securities of the Company are first entirely excluded from the underwriting and registration. Any Registrable Shares excluded or withdrawn from such underwriting shall be withdrawn from the registration. The Company may not cause any other registration of securities for sale for its own account (other than a registration effected solely to implement an employee benefit plan) to be initiated after a registration requested pursuant to Section 3.3 and to become effective less than ninety (90) days after the effective date of any registration requested pursuant to Section 3.3.

3.3.3. Notwithstanding to foregoing, the Company shall not be required to effect a registration pursuant to this Section 3.3 (i) after the Company has effected two (2) registrations pursuant to this Section 3.3, and such registrations have been declared or ordered effective; (ii) within a period of one hundred and eighty (180) days following the effective date of a previous registration; (iii) during the period starting sixty (60) days before the Company's good faith estimate of the date of filing of, and ending on the date one hundred eighty (180) days following the effective date of a registration statement pertaining to the Company's securities (but other than registration relating solely to employee benefit plans on Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a SEC Rule 145 transaction on Form F-4 or similar forms that may be promulgated in the future or that may apply under the laws of the applicable jurisdiction); provided that the Company makes reasonable good faith efforts to cause such registration statement to become effective; or (iv) if the Company shall furnish to Holders requesting a registration statement pursuant to this Section 3.3, an officer's a certificate signed by the Chief Executive Officer stating that in the good faith judgment of the Board, it would be seriously detrimental to the Company and its shareholders for such registration statement to be effected at such time, in which event the Company shall have the right to defer such filing for a period of not more than ninety (90) days after receipt of the request of the Initiating Holders; provided that such right to delay a request shall be exercised by the Company no more than once in any twelve (12) month period.

3.4. Shelf Registration.

3.4.1. Subject to the conditions of this Section 3.4, at any time after the IPO, if the Company is eligible to use a Form F-3 registration statement at such time (or the equivalent shelf registration statement) and the Company shall receive a written request from any Holder of Preferred Registrable Shares, that the Company file a registration statement for an offering to be made on a delayed or continuous basis pursuant to Rule 415 (or equivalent regulation or requirement of the applicable jurisdiction) of the Securities Act registering the resale from time to time by the Holders of Preferred Registrable Shares with a sale price, based on a recent average close price of the Ordinary Shares, of at least two million United States dollars ($2,000,000) (the "**Shelf Registration Statement**"), then the Company shall, within thirty (30) days of the delivery thereof, give written notice of such request to all Holders of Preferred Registrable Shares, which may elect to join in such request, as specified in a written request given to the Company within fifteen (15) days after delivery of the Company's written notice. The Shelf Registration Statement shall be on Form F-3 or another appropriate registration statement permitting registration of such Preferred Registrable Shares for resale by the Holders of Preferred Registrable Shares in accordance with the methods of distribution elected by them and set forth in such Shelf Registration Statement. The Company shall use its reasonable efforts to cause the Shelf Registration Statement to be declared effective under the Securities Act within three (3) months after the initial request by the Holder of Preferred Registrable Shares in accordance with this Section and to keep such Shelf Registration Statement continuously effective under the Securities Act until the earlier of (i) one year following the date such registration was declared effective and (ii) the disposition of all Preferred Registrable Shares included in such Shelf Registration Statement.

3.4.2. Notwithstanding the foregoing, the Company shall not be required to effect a registration pursuant to this Section 3.4 (i) if within ten (10) days of receipt of a written request from the Holder of Preferred Registrable Shares pursuant to this Section 3.4, the Company gives notice to such Holder of the Company's good faith intention to file a registration statement for a public offering within ninety (90) days; provided that the Company actually files such registration statement within such ninety (90) days and makes reasonable good faith efforts to cause such registration statement to become effective; (ii) if the Company shall furnish to Holders requesting a registration statement pursuant to this Section 3.4, an officer's a certificate signed by the Chief Executive Officer stating that in the good faith judgment of the Board, it would be seriously detrimental to the Company and its shareholders for such registration statement to be effected at such time, in which event the Company shall have the right to defer such filing for a period of not more than ninety (90) days after receipt of the request of the Holders of Preferred Registrable Shares; provided that such right to delay a request shall be exercised by the Company not more than once in any twelve (12) month period; or (iv) if the Company has, within the twelve (12) month period preceding the date of such request, already effected two (2) registrations on Form F-3 pursuant to this Section 3.4.

3.5. Designation of Underwriter.

3.5.1. In the case of any registration effected pursuant to Section 3.3 or 3.4, the Holders of a majority of the Preferred Registrable Shares requested to be included therein shall have the right to designate the managing underwriter(s) in any underwritten offering, subject to the Company's approval, which shall not be unreasonably withheld.

3.5.2. In the case of any registration initiated by the Company, the Company shall have the right to designate the managing underwriter(s) in any underwritten offering.

3.6. Expenses. All registration expenses incurred in connection with any registration, qualification or compliance pursuant toSections 3.2, 3.3 and 3.4 shall be borne by the Company. Registration expenses shall include all expenses incurred by the Company or incident to the Company's performance of or compliance with this Agreement, including, without limitation, expenses incurred in connection with the preparation of a prospectus, printing, registration and filing fees, printing fees and expenses, fees and disbursements of counsel, accountants and other advisors for the Company, reasonable fees and disbursements of a single special counsel for the Holders (selected by Holders of the majority of the Preferred Registrable Shares requesting the registration), taxes, fees and expenses (including reasonable counsel fees) incurred in connection with complying with state securities or "blue sky" laws, fees of the National Association for Securities Dealers, Inc., fees of transfer agents or registrars and the expense of any special audits incident to or required by any such registration. Notwithstanding the foregoing, the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Sections 3.3 or 3.4, if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Preferred Registrable Shares to be registered (in which case all selling Holders shall bear such expenses pro rata based upon the number of Registrable Shares that were to be included in the withdrawn registration) unless the Holders of a majority of the Preferred Registrable Securities agree to forfeit their right to one registration pursuant to Sections 3.3 or 3.4, as the case may be; *provided however* that if, at the time of such withdrawal, the Holders shall have learned of a material adverse change in the condition, business, or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness after learning of such information then the Holders shall not be required to pay any of such expenses and shall not forfeit their right to one registration pursuant to Sections 3.3 or 3.4; and *provided further*, that all underwriters' discounts and commissions in respect of the sale of Registrable Shares shall be paid by the Holders, pro rata in accordance with the number of Registrable Shares sold in the offering.

3.7. Indemnities. In the event that any Registrable Shares are included in a registration statement pursuant to this Section 3:

3.7.1. To the extent permitted by law, the Company will indemnify and hold harmless each Holder, its affiliates, the partners, officers, directors and shareholders of each Holder, legal counsel and accountants for each Holder, any underwriter in an underwritten offering for such Holder and each Person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages, or liabilities (joint or several) to which they may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively a "**Violation**") by the Company: (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any state securities law or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities law in connection with the offering covered by such registration statement; and the Company will reimburse each such Holder, its affiliates, the partners, officers, or directors, any underwriter and each Person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, for any legal or other expenses reasonably incurred by them in connection with investigating, preparing to defend or defending against or appearing as a third-party witness in connection with such loss, claim, damage, liability, or action or proceeding; provided, however, that this indemnity shall not be deemed to relieve any underwriter of any of its due diligence obligations; provided, further, that the indemnity agreement contained in this Section 3.7.1 shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable in any such case for any such loss, claim, damage, liability, action, cost or expense to the extent that it arises out of or is based upon a Violation which occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by such Holder, partner, officer, director, underwriter or controlling Person of such Holder.

3.7.2. To the extent permitted by law, each Holder will, if Registrable Shares held by such Holder are included in the securities as to which such registration qualifications or compliance is being effected, indemnify and hold harmless the Company and each Person, if any, who controls the Company within the meaning of the Securities Act, any underwriter and any other Holder selling securities under such registration statement or any of such other Holder's its affiliates, partners, directors officers or any person who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages, liabilities, costs or expenses, to which the Company or any such director, officer, controlling Person, underwriter or other such Holder or controlling Person of such other Holder may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages, liabilities, costs or expenses (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder under an instrument duly executed by such Holder and stated to be specifically for use in connection with such registration; and each such Holder will reimburse the Company, each such controlling Person of the Company or any underwriter or other Holder, or partner, officer, director or controlling person of such other Holder in connection with investigating, preparing to defend or defending against or appearing as a third-party witness in connection with such loss, claim, damage, liability, action or proceeding; provided, however, that this indemnity shall not be deemed to relieve any underwriter of any of its due diligence obligations; provided, further, that the indemnity agreement contained in this Section 3.7.2 shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld. In no event shall the liability of a Holder pursuant to this Section 3.7.2 exceed the net proceeds from the offering received by such Holder, except in the event of fraud or willful misconduct of such Holder.

3.7.3. Promptly after receipt by an indemnified party pursuant to the provisions of Sections 3.7.1 or 3.7.2 herein of notice of the commencement of any action involving the subject matter of the foregoing indemnity provisions, such indemnified party will, if a claim thereof is to be made against the indemnifying party pursuant to the provisions of said Section 3.7.1 or 3.7.2, promptly notify the indemnifying party of the commencement thereof. Notwithstanding the foregoing, the omission to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party under this Section 3.7, except to the extent that such failure materially prejudices the indemnifying party's ability to defend such action and in any case will not relieve the indemnifying party from any liability which it may have to any indemnified party otherwise than hereunder. In case such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party shall have the right to participate in, and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof with counsel reasonably satisfactory to such indemnified party; provided, however, that if the defendants in any action include both the indemnified party and the indemnifying party and there is a conflict of interests which would prevent counsel for the indemnifying party from also representing the indemnified party, the indemnified party or parties shall have the right to select one separate counsel to participate in the defense of such action on behalf of such indemnified party or parties. After notice from the indemnifying party to such indemnified party of its election to assume the defense thereof, the indemnifying party will not be liable to such indemnified party pursuant to the provisions of said Sections 3.7.1 or 3.7.2 for any legal or other expense subsequently incurred by such indemnified party in connection with the defense thereof, unless (i) the indemnified party shall have employed counsel in accordance with the provision of the preceding sentence, (ii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after the notice of the commencement of the action and within fifteen (15) days after written notice of the indemnified party's intention to employ separate counsel pursuant to the previous sentence, or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party. No indemnifying party will consent to entry of any judgment or enter into any settlement, which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

3.7.4. If the indemnification provided for in this Section 3.7 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any losses, claims, damages or liabilities referred to herein, the indemnifying party, in lieu of indemnifying such indemnified party thereunder, shall to the extent permitted by applicable law contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the Violation(s) that resulted in such loss, claim, damage or liability, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by a court of law by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information concerning the matter with respect to which the claim was asserted, and opportunity to correct or prevent such statement or omission; provided, that in no event shall any contribution by a Holder hereunder exceed the net proceeds from the offering received by such Holder, other than in the event of fraud or willful misconduct of such Holder; and provided, further, that no party will be liable for contribution with respect to the settlement of any claim or action effected without its written consent (which consent shall not be unreasonably withheld).

3.7.5. The obligations of the Company and the Holders under this Section 3.7 shall survive completion of any offering of Registrable Shares in a registration statement and the termination of this Agreement. No indemnifying party, in the defense of any such claim or litigation, shall, except with the consent of each indemnified party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to the indemnified party of a release from all liability in respect to such claim or litigation. The indemnification provisions of this Section 3.7 shall not be in limitation of any other indemnification provisions included in any other agreement. Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in any underwriting agreement entered into in connection with an underwritten public offering are in conflict with the foregoing provisions, the provisions in such underwriting agreement shall prevail.

3.8. Obligations of the Company. Whenever required under this Section 3 to effect the registration of any Registrable Shares, the Company shall, as expeditiously as possible:

3.8.1. prepare and file with the SEC a registration statement with respect to such Registrable Shares and use its commercially reasonable best efforts to cause such registration statement to become effective, and keep such registration statement effective until the earlier of (i) one year following the date such registration was declared effective and (ii) the disposition of all Registrable Shares included in such registration statement;

3.8.2. prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all Registrable Shares covered by such registration statement;

3.8.3. furnish to the Holders such numbers of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Shares owned by them;

3.8.4. in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter(s) of such offering. Each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement;

3.8.5. notify each Holder of Registrable Shares covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing;

3.8.6. use commercially reasonable efforts to cause all Registrable Shares registered pursuant hereunder to be listed on each securities exchange on which similar securities issued by the Company are then listed;

3.8.7. provide a transfer agent and registrar for all Registrable Shares registered pursuant hereunder and a CUSIP number for all such Registrable Shares, in each case not later than the effective date of such registration;

3.8.8. prepare and furnish to each such seller a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Registrable Shares, such prospectus shall not include any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing;

3.8.9. furnish, on the date that such Registrable Shares are delivered to the underwriters for sale, if such securities are being sold through underwriters, or, if such securities are not being sold through underwriters on the date that the registration statement with respect to such securities becomes effective, (i) an opinion, dated as of such date, of the counsel representing the Company addressed to the underwriters if any, and to the Holders requesting registration of registrable shares, for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, and (ii) a letter, dated as of such date, from the independent certified public accountants of the Company, addressed to the underwriters and to such seller, in form and substance as is customarily given by independent certified public accountants in an underwritten public offering addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Shares;

3.8.10. in connection with the preparation and filing of each registration statement registering Registrable Shares under the Securities Act and initiated under the provisions of Sections 3.3 or 3.4, and before filing any such registration statement or any other document in connection therewith, give the participating Holders of Registrable Shares and their underwriters, if any, and their respective counsel and accountants, the opportunity to (i) review any such registration statement, each prospectus included therein or filed with the SEC, each amendment thereof or supplement thereto and any related underwriting agreement, or other document to be filed, and (ii) provide comments to such documents if necessary to cause the description of such Holders of Registrable Shares to be accurate;

3.8.11. use commercially reasonable efforts to cooperate with the sellers in the disposition of the Registrable Shares covered by such registration statement, including without limitation in the case of an underwritten offering using commercially reasonable efforts to cause key executives of the Company and its subsidiaries to participate under the direction of the managing underwriter in a "road show" scheduled by such managing underwriter in such locations and of such duration as in the judgment of such managing underwriter are appropriate for such underwritten offering;

3.8.12. otherwise use commercially reasonable efforts to comply with the Securities Act, the Exchange Act and any other applicable rules and regulations of the SEC, and make available to the Holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve (12) months after the effective date of such registration statement, which earnings statement shall satisfy Section 11(a) of the Securities Act and any applicable regulations thereunder, including Rule 158 (or equivalent rule under the applicable jurisdiction).

3.9. Assignment of Registration Rights. Each Holder of Registrable Shares may assign its rights under this Agreement (including without limitation its right to cause the Company to register shares pursuant to this Section 3) to any transferee or assignee of all or part of the Registrable Shares held by such Holder that acquires Registrable Shares; *provided, however*, (i) such transfer of Registrable Shares is made in accordance with the terms of the Articles, (ii) the transferor shall furnish to the Company simultaneously with such transfer or assignment written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned, and (iii) such transferee shall agree at such time to be subject to all provisions and restrictions set forth in this Agreement.

3.10. Lock-Up. Each Holder (and for the purposes of this Section 3.10, the term Holder shall include OIC Growth Gauzy Holdings, LLC, even prior to the issuance of any Warrant Shares), Founder and the Company hereby agrees that, if so requested by the representative of the underwriters (the "**Managing Underwriter**"), such Holder, Founder and Company shall not, without the prior consent of the Managing Underwriter (i) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Registrable Shares or any securities of the Company (whether such shares or any such securities are then owned by the Holder, or are thereafter acquired), or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Registrable Shares or any securities of the Company, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Registrable Shares or such other securities, in cash or otherwise, during the period specified by the Managing Underwriter (the "**Market Standoff Period**"), with such period not to exceed (a) one hundred and eighty (180) days from the effective date of such registration statement of the Company's first underwritten offering of its Ordinary Shares; or (b) in the case of an offering (other than the Company's first underwritten offering of its Ordinary Shares) in which Registrable Shares of a Holder or Founder are offered (an "**Offering Shareholder**"), then with respect to such Offering Shareholder, ninety (90) days from the date of the final prospectus for any such other offering. Any request from the Managing Underwriter to a Holder of Preferred Registrable Shares pursuant to the preceding sentence shall apply to all Holders of Preferred Registrable Shares. Any discretionary waiver or termination of the restrictions contained in any such agreement by the Company or the Managing Underwriter shall first apply to the Holders of Preferred Registrable Shares, which shall have preference over all other holders of the Company's securities to register and sell the shares to be registered within such waiver or termination of restrictions. The Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such Market Standoff Period. The foregoing provisions of this Section 3.10 shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, and shall only be applicable to a Holder of Preferred Registrable Shares if all officers, directors and all shareholders of the Company, individually holding at least 1% of the Company's issued and outstanding shares (on an as converted basis) as determined by the Managing Underwriter, enter into substantially similar agreements.

3.11. Public Information. With a view to making available to the Holders the benefits of certain rules and regulations of the SEC which may permit the sale of the Registrable Shares to the public without registration, the Company (at any time after it has become subject to such reporting requirements) agrees to: (i) make and keep publicly available and available to the Holders adequate current public information with respect to the Company, within the meaning Rule 144 under the Securities Act or any similar or analogous rule promulgated under the Securities Act, at all times after the effective date of the first registration statement filed by the Company for an offering of its securities to the general public, (ii) furnish to such Holder, so long as it holds Registrable Securities, forthwith upon request: (A) to the extent accurate, a written statement by the Company as to its compliance with the informational requirements of Rule 144 under the Securities Act (or similar rule then in effect), and of the Exchange Act (at any time after it has become subject to such reporting requirements), (B) a copy of the most recent annual or quarterly report of the Company, and (C) such other reports and documents as a Holder may reasonably request in availing itself of any rule or regulation of the SEC allowing it to sell any such securities without registration, and (iii) use best efforts to comply with all other necessary filings and other requirements so as to enable the Holders of Registrable Shares to sell Registrable Shares under Rule 144 under the Securities Act (or similar rule then in effect) (after the Company has become subject to the reporting requirements under the Exchange Act).

3.12. Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Investors Majority, enter into any agreement with any holder or prospective holder of any securities of the Company giving such holder or prospective holder any registration rights the terms of which are (i) *pari passu* with or (ii) senior to the registration rights granted to the Investors hereunder - unless such action is taken in connection with a financing round involving the creation of any securities which are more senior to, or are otherwise in priority to (in the case of (ii) above), or on a parity with (in the case of (i) above), any of the Preferred D Shares.

3.13. Termination of the Company's Obligations. The right of any Holder to request registration or inclusion in any registration hereunder shall terminate on the fifth (5^{th}) anniversary of the closing of the Company's IPO.

4. Miscellaneous

4.1. Further Assurances. Each of the parties hereto shall perform such further acts and execute such further documents as may reasonably be necessary to carry out and give full effect to the provisions of this Agreement and the intentions of the parties as reflected thereby.

4.2. Governing Law; Jurisdiction. This Agreement shall be governed by and construed according to the laws of the State of Israel, without regard to the conflict of laws provisions thereof. Any dispute arising under or in relation to this Agreement shall be resolved in the competent courts in Tel Aviv-Jaffa, and each of the parties hereby irrevocably submits to the exclusive jurisdiction of such court.

4.3. Successors and Assigns; Assignment. Except as otherwise expressly limited herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors, and administrators of the parties hereto. Subject to the provisions of Section 3.9, none of the rights, privileges, or obligations set forth in, arising under, or created by this Agreement may be assigned or transferred without the prior consent in writing of each party to this Agreement, with the exception of (but subject to compliance with the provisions of Section 3.9): (i) assignment by an Investor to its Permitted Transferee (as defined in the Articles), or (ii) assignment by an Investor to a transferee of shares of such Investor; it being acknowledged and understood that any such assignment or transfer shall confer upon the transferee or assignee all of the applicable Investor's rights and remedies, and shall impose upon such transferee or assignee all of the applicable Investor's obligations and liabilities, with respect to the Company's shares being transferred and such transferee shall agree in writing to be bound by the provisions and restrictions set forth in this Agreement.

4.4. Entire Agreement; Amendment and Waiver. This Agreement and the Schedules hereto constitute the full and entire understanding and agreement between the parties with regard to the subject matters hereof and thereof and supersede any prior understanding or agreement with respect to its subject matter, including without limitation any Proposed Terms for Investment, Term Sheet or similar instrument, or any previous investors rights agreement by and among the Company, the Founders and any Investor(s), including the Prior Agreement. Any term of this Agreement may be terminated or amended and the observance of any term hereof may be waived (either prospectively or retroactively and either generally or in a particular instance) only with the written consent of the Company and Holders holding at least two thirds (2/3) of the Ordinary Shares issued and issuable upon conversion of the Preferred Shares (the "**Investors Majority**"), provided however, that Sections 1.7, 1.8 and 1.9 shall not be amended, terminated (except in accordance with Section 1.9) or waived without the prior written consent of SLO. Notwithstanding the foregoing, to the extent any person becomes a holder of Preferred Shares after the date hereof and prior to the closing of an IPO, the Company may at its sole discretion and without the consent of the other parties hereto, add such person as a party to this Agreement by such person's signature to this Agreement and the amendment by the Company of Schedule I hereto. Any termination, amendment or waiver effected in accordance with this paragraph shall be binding upon the Investors, the Founders, their future transferees, the Company and any other parties hereto. Notwithstanding the foregoing, in the event that any amendment hereof adversely changes the rights of the Founders in a manner that is different and adverse when compared to the Investors, such amendment shall also require the consent of the holders of a majority of the Registrable Shares then outstanding and held by the Founders. No amendment, that adversely and disproportionately affects one or more Investors as compared to the other Investors shall be effected without the consent of such adversely affected Investor or Investors, provided however, that an amendment that grants new investors rights hereunder which are on parity with or superior to the rights already granted hereunder to the Investors, shall not as of itself, be deemed to constitute an amendment that adversely and disproportionately affects a certain Investor.

4.5. Notices, etc. All notices and other communications required or permitted hereunder to be given to a party to this Agreement shall be in writing and shall be faxed or mailed by electronic or certified mail, postage prepaid, prepaid air courier, or otherwise delivered by hand or by messenger, addressed to such party's address as set forth below:

if to the Investor(s):	to the address(es) set forth in Schedule 1
if to the Company:	Gauzy Ltd. 14 HaThiya Street, Tel Aviv Israel Email: legal@gauzy.com
if to the Founders:	Eyal Peso Email: eyal@gauzy.com Adrian Lofer Email: adrian@gauzy.com Dimitry Dobrenko Email: dimitry@gauzy.com

Any notice sent in accordance with this Section 4.5 shall be effective (i) if mailed, five (5) business days after mailing, (ii) if by air courier, two (2) business days after delivery to the courier service, (iii) if sent by messenger, upon delivery, and (iv) if sent via email or facsimile, upon transmission and electronic confirmation of receipt or (if transmitted and received on a non-business day) on the first business day following transmission and electronic confirmation of receipt.

4.6. Aggregation of Shares. All Registrable Shares held or acquired by shareholders who are Permitted Transferees (as defined in the Articles of Association of the Company in effect immediately prior to the closing of the IPO) of each other shall be aggregated together for the purpose of determining the availability and pro-rata computations of any rights under this Agreement.

4.7. Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party upon any breach or default under this Agreement, shall be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent, or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any of the parties, shall be cumulative and not alternative.

4.8. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable under applicable law, then such provision shall be excluded from this Agreement and the remainder of this Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms; provided, however, that in such event this Agreement shall be interpreted so as to give effect, to the greatest extent consistent with and permitted by applicable law, to the meaning and intention of the excluded provision as determined by such court of competent jurisdiction.

4.9. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and enforceable against the parties actually executing such counterpart, and all of which together shall constitute one and the same instrument. The exchange of an executed counterpart of a signature page of this Agreement by electronic mail or other electronic means shall be effective as delivery of a manually executed original counterpart and shall bind the parties to the terms and conditions of this Agreement.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF the parties have signed this Investors' Rights Agreement as of the date first hereinabove set forth.

COMPANY:

GAUZY LTD.

By: _____
Name:
Title:

FOUNDERS:

_____
Eyal Peso

Adrian Lofer

Dimitry Dobrenko

[signature page to amended and restated investors' rights agreement/ Gauzy ltd./ [_____], 2024]

IN WITNESS WHEREOF the parties have signed this Investors' Rights Agreement as of the date first hereinabove set forth.

INVESTOR:

By: _____
Name:
Title:

[signature page to amended and restated investors' rights agreement of gauzy ltd., dated [_____], 2024]

Exhibit 5.1

May 29, 2024

Gauzy Ltd.
14 Hathiya Street
Tel Aviv 6816914
Israel

Re: **Registration Statement on Form F-1**

Ladies/Gentlemen:

We have acted as Israeli counsel to Gauzy Ltd., an Israeli company (the "**Company**"), in connection with the registration of 4,791,667 ordinary shares of the Company, par value NIS 0.23, per share (which par value will be cancelled upon the adoption of the Amended Articles (as defined below)) (the "**Ordinary Shares**"), including Ordinary Shares that are subject to an option to purchase additional Ordinary Shares granted by the Company to the underwriters of the Offering (as defined below) (collectively, the "**Offered Shares**"), in connection with an underwritten initial public offering of the Ordinary Shares (the "**Offering**") pursuant to the Company's Registration Statement on Form F-1 (File No. 333-278675) (as amended though the date hereof, the "**Registration Statement**") filed by the Company with the United States Securities and Exchange Commission (the "**SEC**") under the United States Securities Act of 1933, as amended (the "**Securities Act**"). This opinion letter is rendered pursuant to Item 8(a) of Form F-1 promulgated by the SEC and Items 601(b)(5) and (b)(23) of the SEC's Regulation S-K promulgated under the Securities Act.

In connection with this opinion letter, we have examined originals or copies, certified or otherwise identified to our satisfaction, of (i) the form of the Registration Statement to which this opinion letter is filed as an exhibit, (ii) the Company's articles of association, as currently in effect, (iii) a draft of the amended articles of association of the Company, to be in effect upon the closing of the Offering (the "**Amended Articles**"), (iv) resolutions of the board of directors of the Company (the "**Board**") and shareholders of the Company which have heretofore been adopted and relate to the Offering, (v) the form of the underwriting agreement proposed to be entered into between the Company and the representatives of the several underwriters named therein relating to the Offering that is filed as Exhibit 1.1 to the Registration Statement and (vi) such other corporate records, agreements, documents and other instruments, and such certificates or comparable documents of public officials and of officers and representatives of the Company, as we have deemed relevant and necessary as a basis for the opinions hereinafter set forth. We have also made inquiries of such officers and representatives of the Company as we have deemed relevant and necessary as a basis for the opinions hereinafter set forth.

In such examination, we have assumed the genuineness of all signatures, the legal capacity of all natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as copies, and the authenticity of the originals of such latter documents and the due execution and delivery of all documents by parties where due execution and delivery are a prerequisite to the effectiveness thereof. We have further assumed that the documents or copies thereof examined by us are true, complete and up-to-date and have not been amended, supplemented, rescinded, terminated or otherwise modified. As to all questions of fact relevant to the matters set forth herein, we did not independently establish or verify such facts and we have relied, without independent investigation, upon statements, certificates or comparable documents of officers or representatives of the Company and of public officials. We have considered such questions of Israeli law as we have deemed necessary for the purpose of rendering the opinions set forth herein.

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GORNITZKY

Based on and subject to the assumptions, limitations and qualifications stated in this opinion letter, we are of the opinion that, following the effectiveness of the Amended Articles and upon payment to the Company of the consideration per Offered Share in such amount and form as shall be determined by the Board or by an authorized committee thereof, the Offered Shares, when issued and sold in the Offering as described in the Registration Statement, will be duly authorized, validly issued, fully paid and non-assessable.

We are members of the Bar of the State of Israel, and we express no opinion as to any matter relating to the laws of any jurisdiction other than the laws of Israel and have not, for the purpose of rendering the opinions set forth herein, made any investigation of the laws of any jurisdiction other than Israel.

This opinion letter is rendered as of the date hereof and the opinions expressed herein are based upon the laws of Israel that are in effect on the date hereof that have been published and are generally available on the date hereof, and we disclaim any obligation to advise you of any change of law that occurs, or of any facts, circumstances, events or developments of which we become aware, after the date of this opinion letter, even if they would alter, affect or modify the opinions expressed herein. This opinion letter is limited to the matters expressly stated herein and no opinion may be inferred or implied beyond the matters expressly stated herein to be our opinion.

We hereby consent to the filing of this opinion letter as an exhibit to the Registration Statement and to the reference to our firm appearing under the caption "Legal Matters" and "Enforcement of Civil Liabilities" in the prospectus forming part of the Registration Statement. In giving such consent, we do not admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the SEC promulgated under the Securities Act.

Very truly yours,

/s/ Gornitzky & Co., Advocates
Gornitzky & Co., Advocates

gornitzky.com

Gornitzky & Co., Advocates | Vitania Tel-Aviv Tower, 20 HaHarash St., TLV Israel
Zip: 6761310 | Tel: +972-3-7109191 | Fax: +972-3-5606555 | Email: office@gornitzky.com | EST. 1938

Exhibit 10.1

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "**Agreement**"), dated as of [●] [●], 2024, is entered into by and between Gauzy Ltd., an Israeli company (company number 514335967) whose address is 14 Hathiya Street, Tel Aviv 6816914, Israel, e-mail: legal@gauzy.com (the "**Company**"), and the undersigned Office Holder (as defined below) of the Company whose name appears on the signature page hereto (the "**Indemnitee**").

WHEREAS, Indemnitee is an Office Holder ("*Nosse Misra*"), as such term is defined in the Companies Law, 5759–1999, as amended (the "**Office Holder**" and the "**Companies Law**" respectively), of the Company;

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against Office Holders of companies;

WHEREAS, the Amended and Restated Articles of Association of the Company (the "**Articles of Association**") authorize the Company to indemnify and advance expenses to its Office Holders and provide for insurance and exculpation to its Office Holders, in each case, to the fullest extent permitted by applicable law;

WHEREAS, the Company has determined that (i) the increased difficulty in attracting and retaining competent persons is detrimental to the best interests of the Company and its shareholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future, and (ii) it is reasonable, prudent and necessary for the Company to contractually obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law, so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified; and

WHEREAS, in recognition of Indemnitee's need for substantial protection against personal liability in order to assure Indemnitee's continued service to the Company in an effective manner and, in part, in order to provide Indemnitee with specific contractual assurance that the indemnification, insurance and exculpation afforded by the Articles of Association will be available to Indemnitee, the Company wishes to undertake in this Agreement for the indemnification of and the advancing of expenses to Indemnitee to the fullest extent permitted by applicable law and as set forth in this Agreement and provide for insurance and exculpation of Indemnitee as set forth in this Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. INDEMNIFICATION AND INSURANCE.

1.1. The Company hereby undertakes to indemnify Indemnitee, to the fullest extent permitted by applicable law, for any liability and expense specified in Sections 1.1.1 through 1.1.4 below, imposed on or incurred by Indemnitee due to or in connection with an act performed by such Indemnitee, either prior to or after the date hereof, in Indemnitee's capacity as an Office Holder, including, without limitation, as a director, officer, employee, agent or fiduciary of the Company, any subsidiary thereof or any other corporation, collaboration, partnership, joint venture, trust or other enterprise, in which Indemnitee serves at any time at the request of the Company (the "**Corporate Capacity**"). The term "act performed in Indemnitee's capacity as an Office Holder" shall include, without limitation, any act, omission or failure to act and any other circumstances relating to or arising from Indemnitee's service in a Corporate Capacity. Notwithstanding the foregoing, in the event that the Office Holder is the beneficiary of an indemnification undertaking provided by a subsidiary of the Company or any such other entity with respect to his or her Corporate Capacity, then the indemnification obligations of the Company hereunder with respect to such Corporate Capacity shall only apply to the extent that the indemnification by such subsidiary or other entity does not cover the liabilities and expenses that are indemnifiable by the Company under this Agreement. The following shall be hereinafter referred to as "**Indemnifiable Events**":

1.1.1. Financial liabilities imposed on or incurred by Indemnitee in favor of another person pursuant to a judgment, including a judgment rendered in the context of a settlement or an arbitrator's award approved by a court;

1.1.2. Reasonable Expenses (as defined below) incurred by Indemnitee as a result of an investigation or proceeding instituted against Indemnitee by an authority that is authorized to conduct such investigation or proceeding, and that was concluded without the filing of an indictment against Indemnitee and without imposing on Indemnitee a financial liability in lieu of a criminal proceeding, or that was concluded without the filing of an indictment against Indemnitee but imposing a financial liability in lieu of a criminal proceeding for an offense that does not require proof of *mens rea*, or in connection with a financial sanction. In this section, the terms or phrases "conclusion of a proceeding without the filing of an indictment," "financial liability in lieu of a criminal proceeding" and "financial sanction," or similar terms or phrases, shall have the meanings assigned to such terms or phrases or referred to in Section 260(a)(1a) of the Companies Law;

1.1.3. Reasonable Expenses incurred by or imposed on Indemnitee by a court in a proceeding instituted against Indemnitee by the Company or on its behalf or by another person, or in connection with a criminal charge from which Indemnitee was acquitted or for which Indemnitee was convicted of an offense that does not require proof of *mens rea*; and

1.1.4. Any other event, occurrence, matter or circumstances under any law with respect to which the Company may, or will be able to, indemnify an Office Holder (including, without limitation, in accordance with Section 56H(b)(1) of the Israeli Securities Law, 5728-1968 (the "**Israeli Securities Law**") and Section 50P(b)(2) of the Israeli Economic Competition Law, 5748-1988 (the "**Economic Competition Law**")).

For the purpose of this Agreement, "**Expenses**" shall include, without limitation, legal fees and all other costs, expenses and obligations paid or incurred by Indemnitee in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or participate in any claim, action, suit, demand, proceeding, alternative dispute resolution mechanism, hearing, inquiry or investigation, whether civil, criminal or investigative (each a "**Claim**") relating to any matter for which indemnification hereunder may be provided. Expenses shall be considered paid or incurred by Indemnitee at such time as Indemnitee is required to pay or incur such costs or expenses, including upon receipt of an invoice or payment demand. The Company shall pay the Expenses in accordance with the provisions of Section 1.3.

1.2. Notwithstanding anything herein to the contrary, the Company's undertaking to indemnify Indemnitee in advance under Section 1.1.1 shall only be with respect to events described in **Exhibit A** hereto. The Board of Directors of the Company (the "**Board**") has determined that the categories of events listed in Exhibit A are foreseeable in light of the operations of the Company. The maximum amount of indemnification payable by the Company under Section 1.1.1 with respect to the specific events described in Exhibit A during any five-year period (a "**Five-Year Period**") commencing on the closing of the first issuance and sale of the Company's ordinary shares to the public, pursuant to an effective registration statement under the United States Securities Act of 1933, as amended, or the securities law of any other jurisdiction ("**IPO**"), and for every subsequent Five-Year Period shall be as set forth in Exhibit A hereto (the "**Limit Amount**"). If the Company undertook to indemnify multiple persons under agreements similar to this Agreement (the "**Indemnifiable Persons**"), the Limit Amount for any Five-Year Period shall apply to all Indemnifiable Persons, in the aggregate, and if the Limit Amount is insufficient to cover all the indemnity amounts payable with respect to all Indemnifiable Persons during the relevant Five-Year Period, then such amount shall be allocated to such Indemnifiable Persons pro rata according to the percentage of their culpability, as finally determined by a court tribunal or any other competent authority in the relevant Claim, or, absent such determination or in the event such persons are parties to different Claims, based on an equal pro rata allocation among such Indemnifiable Persons. The Limit Amount payable by the Company as described in Exhibit A is deemed by the Board to be reasonable in light of the circumstances. The indemnification provided under Section 1.1.1 shall not be subject to the limitations imposed by this Section 1.2 and Exhibit A if and to the extent such limits are not or are no longer required by the Companies Law.

1.3. If so requested by Indemnitee in writing, and subject to the Company's repayment and reimbursement rights set forth in Sections 3 and 5 below, the Company shall pay amounts to cover Indemnitee's Expenses with respect to which Indemnitee is entitled to be indemnified under Section 1.1, as and when incurred. The payments of such amounts shall be made by the Company directly to Indemnitee's legal and other advisors, as soon as practicable, but in any event no later than fifteen (15) days after written demand by Indemnitee therefor to the Company, and any such payment shall be deemed to constitute indemnification hereunder. As part of the aforementioned undertaking, the Company will make available to Indemnitee any security or guarantee that Indemnitee may be required to post in accordance with an interim decision given by a court, governmental or administrative body, or an arbitrator, including for the purpose of substituting liens imposed on Indemnitee's assets.

1.4. The Company's obligation to indemnify Indemnitee and advance Expenses in accordance with this Agreement shall be for such period (the "**Indemnification Period**") as Indemnitee shall be subject to any actual, possible or threatened Claim arising out of the Indemnitee's service in a Corporate Capacity, whether or not Indemnitee is still serving in such position.

1.5. The Company undertakes that, subject to the mandatory limitations under applicable law, as long as it may be obligated to provide indemnification and advance Expenses under this Agreement, the Company will purchase and maintain in effect directors' and officers' liability insurance, which will include coverage for the benefit of Indemnitee, providing coverage in amounts as reasonably determined by the Board; provided that, the Company shall have no obligation to obtain or maintain directors' and officers' liability insurance if the Company determines in good faith that such insurance is not reasonably available, the premium costs for such insurance or deductible amounts thereunder are disproportionate to the amount of coverage provided, or the coverage provided by such insurance is so limited by exclusions that it provides an insufficient benefit. The Company hereby undertakes to notify Indemnitee prior to the expiration or termination of the directors' and officers' liability insurance.

1.6. The Company undertakes to give prompt written notice of the commencement of any claim hereunder to the insurers in accordance with the procedures set forth in each of the relevant policies. The Company shall thereafter diligently take all actions reasonably necessary under the circumstances to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such claim in accordance with the terms of such policies. The above shall not derogate from the Company's authority to freely negotiate or reach any compromise with the insurer which is reasonable in the Company's sole discretion, provided that the Company shall act in good faith and in a diligent manner.

2. SPECIFIC LIMITATIONS ON INDEMNIFICATION.

Notwithstanding anything to the contrary in this Agreement, the Company shall not indemnify or advance Expenses to Indemnitee with respect to (i) any act, event or circumstance with respect to which it is prohibited to do so under applicable law, or (ii) a counterclaim made by the Company or in its name in connection with a claim, action, suit, demand or proceeding against the Company filed by Indemnitee.

3. REPAYMENT OF EXPENSES.

3.1. In the event that the Company provides or is required to provide indemnification with respect to Expenses hereunder and at any time thereafter the Company determines, based on advice from its legal counsel, that Indemnitee was not entitled to such payments, the amounts so indemnified by the Company will be promptly repaid by Indemnitee, unless Indemnitee disputes the Company's determination, in which case Indemnitee's obligation to repay to the Company shall be postponed until such dispute is resolved.

3.2. Indemnitee's obligation to repay to the Company for any Expenses or other sums paid hereunder shall be deemed as a loan given to Indemnitee by the Company subject to the minimum interest rate prescribed by Section 3(9) of the Income Tax Ordinance [New Version], 5721-1961, or any other legislation replacing it, which is not considered a taxable benefit.

4. SUBROGATION.

4.1. In the event of payment under this Agreement by the Company or on its behalf, the Company, or in the Company's discretion, the payee on its behalf, shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all documents required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company or payee to effectively bring suit to enforce such rights.

4.2. The Company hereby acknowledges that Indemnitee may have certain rights to indemnification, advancement of expenses and/or insurance provided by shareholder(s) of the Company or certain of Indemnitee's or such shareholder's affiliates (collectively, the "**Secondary Indemnitors**"). The Company hereby agrees (i) that it is the indemnitor of first resort (i.e., its obligations to Indemnitee are primary and any obligation of the Secondary Indemnitors to advance Expenses or to provide indemnification for the same Expenses or liabilities incurred by Indemnitee are secondary), (ii) that it shall be required to advance the full amount of Expenses incurred by Indemnitee and shall be liable for the full amount of all Expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted but only as required by the terms of this Agreement, the Articles of Association (or any other agreement between the Company and Indemnitee), without regard to any rights Indemnitee may have against the Secondary Indemnitors, and, (iii) that it irrevocably waives, relinquishes and releases the Secondary Indemnitors from any and all claims against the Secondary Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. Without altering or expanding any of the Company's indemnification obligations hereunder, the Company further agrees that no advancement or payment by the Secondary Indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company shall affect the foregoing and the Secondary Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Company and Indemnitee agree that the Secondary Indemnitors are express third-party beneficiaries of the terms of this Section 4.2.

5. REIMBURSEMENT.

The Company shall not be liable under this Agreement to make any payment in connection with any Indemnifiable Event to the extent Indemnitee has otherwise actually received payment under any insurance policy or otherwise (without any obligation of Indemnitee to repay any such amount) of the amounts otherwise indemnifiable hereunder. Any amounts paid to Indemnitee under any such insurance policy or otherwise after the Company has indemnified Indemnitee for such liability or Expense shall be repaid to the Company by Indemnitee promptly upon receipt by Indemnitee, in accordance with the terms set forth in Section 3.2.

6. EFFECTIVENESS.

The Company represents and warrants that this Agreement is valid, binding and enforceable in accordance with its terms and was duly adopted and approved by the Company, and shall be in full force and effect immediately upon its execution (or, if executed prior to the Company's IPO, immediately prior to the closing of the IPO).

7. NOTIFICATION AND DEFENSE OF CLAIM.

Indemnitee shall notify the Company of the commencement of any Claim and of the receipt of any notice or threat that any such Claim has been or shall or may be initiated against Indemnitee (including any Claim by or against the Company and any subsidiary thereof), promptly upon Indemnitee first becoming so aware; but the omission so to notify the Company will not relieve the Company from any liability which it may have to Indemnitee under this Agreement unless and to the extent that such failure to provide notice prejudices the Company's ability to defend such Claim. Notice to the Company shall be directed to the Chief Executive Officer or Chief Financial Officer of the Company at the address shown in the preamble to this Agreement (or such other address as the Company shall designate in writing to Indemnitee). With respect to any such Claim as to which Indemnitee notifies the Company of the commencement thereof and without derogating from Sections 1.1 and 2:

7.1. The Company will be entitled to participate therein at its own expense.

7.2. Except as otherwise provided below, the Company, alone or jointly with any other indemnifying party similarly notified, will be entitled to assume the defense thereof, with counsel selected by the Company. Indemnitee shall have the right to employ his or her own counsel in such Claim, but the fees and expenses of such counsel incurred after notice from the Company of its assumption of the defense thereof shall be at the expense of Indemnitee, unless: (i) the employment of counsel by Indemnitee has been authorized in writing by the Company; (ii) the Company, in good faith, reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of the defense of such Claim; or (iii) the Company has not in fact employed counsel to assume the defense of such Claim within reasonable time, in which cases the reasonable fees and expenses of Indemnitee's counsel shall be at the expense of the Company. The Company shall not be entitled to assume the defense of any Claim brought by or on behalf of the Company or as to which the Company shall have reached the conclusion specified in (ii) above.

7.3. The Company shall not be liable to indemnify Indemnitee under this Agreement for any amounts or expenses paid in connection with a settlement of any Claim effected without the Company's prior written consent.

7.4. The Company shall have the right to conduct the defense as it sees fit in its sole discretion (provided that the Company shall conduct the defense in good faith and in a diligent manner), including the right to settle or compromise any Claim or to consent to the entry of any judgment against Indemnitee without the consent of Indemnitee, provided that, the amount of such settlement, compromise or judgment does not exceed the Limit Amount (if applicable) and is fully indemnifiable pursuant to this Agreement (subject to Section 1.2 of this Agreement) and/or applicable law, and any such settlement, compromise or judgment does not impose any penalty or limitation on Indemnitee without Indemnitee's prior written consent. Indemnitee's consent shall not be required if the settlement includes a complete release of Indemnitee, does not contain any admission of wrong-doing by Indemnitee, and includes monetary sanctions only as provided above. In the case of criminal proceedings, the Company and/or its legal counsel will not have the right to plead guilty or agree to a plea-bargain in Indemnitee's name without Indemnitee's prior written consent. Neither the Company nor Indemnitee will unreasonably withhold or delay their consent to any proposed settlement.

7.5. Indemnitee shall fully cooperate with the Company and shall give the Company all information and access to documents, files and to his or her advisors and representatives as shall be within Indemnitee's power, as may be required by the Company with respect to any Claim which is the subject matter of this Agreement and in the defense of other Claims asserted against the Company (other than claims asserted by Indemnitee), provided that the Company shall cover all expenses, costs and fees incidental thereto such that Indemnitee will not be required to pay or bear such expenses, costs and fees.

8. EXCULPATION.

Subject to the provisions of the Companies Law, the Company hereby releases, in advance, Indemnitee from liability to the Company for any damage that arises from the breach of Indemnitee's duty of care to the Company (within the meaning of such terms under Sections 252 and 253 of the Companies Law), other than breach of the duty of care towards the Company in a distribution (as such term is defined in the Companies Law).

9. NON-EXCLUSIVITY.

The rights of Indemnitee hereunder shall not be deemed exclusive of any other rights Indemnitee may have under the Articles of Association, applicable law or otherwise, and to the extent that during the Indemnification Period the indemnification rights of the then serving Office Holders of the Company are more favorable to such Office Holders than the indemnification rights provided under this Agreement to Indemnitee, Indemnitee shall be entitled to the full benefits of such more favorable indemnification rights to the extent permitted by law.

10. PARTIAL INDEMNIFICATION.

If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the expenses, judgments, fines or penalties actually or reasonably incurred by Indemnitee in connection with any Claim, but not, however, for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion of such expenses, judgments, fines or penalties to which Indemnitee is entitled under any provision of this Agreement. Subject to the provisions of Section 5 above, any amount received by Indemnitee (under any insurance policy or otherwise) shall not reduce the Limit Amount hereunder and shall not derogate from the Company's obligation to indemnify Indemnitee in accordance with the provisions of this Agreement up to the Limit Amount, as applicable.

11. BINDING EFFECT.

This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns. In the event of a merger or consolidation of the Company or a transfer or disposition of all or substantially all of the business or assets of the Company, Indemnitee shall be entitled to the same indemnification and insurance provisions as the most favorable indemnification and insurance provisions afforded to the then-serving Office Holders of the Company. In the event that in connection with such transaction the Company purchases a directors' and officers' "tail" or "run-off" policy for the benefit of its then serving Office Holders, then such policy shall cover Indemnitee and such coverage shall be deemed to be in satisfaction of the insurance requirements under this Agreement. This Agreement shall continue in effect during the Indemnification Period regardless of whether Indemnitee continues to serve in a Corporate Capacity.

Any amendment to the Companies Law, the Israeli Securities Law, the Economic Competition Law or other applicable law adversely affecting the right of Indemnitee to be indemnified, insured or released pursuant hereto shall be prospective in effect, and shall not affect the Company's obligation or ability to indemnify or insure Indemnitee for any act or omission occurring prior to such amendment, unless otherwise provided by applicable law.

12. SEVERABILITY.

The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

13. NOTICE.

All notices and other communications pursuant to this Agreement shall be in writing and shall be deemed provided if delivered personally, telecopied, sent by electronic facsimile, email, reputable overnight courier or mailed by registered or certified mail (return receipt requested), postage prepaid, to the Company at the address shown in the preamble to this Agreement and to Indemnitee at the address shown in the signature page to this Agreement, or to such other address as the party to whom notice is to be given may have furnished to the other party hereto in writing in accordance herewith. Any such notice or communication shall be deemed to have been delivered and received (i) in the case of personal delivery, on the date of such delivery, (ii) in the case of telecopier or electronic facsimile, one (1) business day after the date of transmission if confirmation of receipt is received, (iii) in the case of email, one (1) business day after the date of transmission (provided that the notice shall not be deemed given if the sender receives an automatic system-generated response that such electronic mail was undeliverable), (iv) in the case of a reputable overnight courier, three (3) business days after deposit with such reputable overnight courier service, and (v) in the case of mailing, on the seventh (7^{th}) business day following that on which the mail containing such communication is posted. In the case of clauses (i), (ii), (iii) and (iv), if such notice or other communication is received after 5:00 p.m. on a business day (in the country of the addressee), or is received on a day that is not a business day (in the country of the addressee), then such notice or other communication will not be deemed effective or given until 9:00 a.m. on the next succeeding business day (in the country of the addressee).

14. GOVERNING LAW; JURISDICTION.

This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Israel, without giving effect to any choice of law or conflicts of law provision or rule (whether of the State of Israel or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of Israel. The Company and Indemnitee each hereby irrevocably consent to the exclusive jurisdiction and venue of the courts of Tel Aviv, Israel for all purposes in connection with any action or proceeding which arises out of or relates to this Agreement.

15. ENTIRE AGREEMENT.

This Agreement represents the entire agreement between the parties and supersedes any other agreements, contracts or understandings between the parties, whether written or oral, with respect to the subject matter of this Agreement.

16. NO MODIFICATION AND NO WAIVER

No supplement, modification or amendment, termination or cancellation of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver. Any waiver shall be in writing. The Company hereby undertakes not to amend its Articles of Association in a manner which will adversely affect the provisions of this Agreement.

17. ASSIGNMENTS; NO THIRD-PARTY RIGHTS.

Neither party hereto may assign any of its rights or obligations hereunder except with the express prior written consent of the other party. Other than as specifically stated in Section 4.2, nothing herein shall be deemed to create or imply an obligation for the benefit of a third party. Without limitation of the foregoing, nothing herein shall be deemed to create any right of any insurer that provides directors' and officers' liability insurance, to claim, on behalf of Indemnitee, any rights hereunder.

18. INTERPRETATION; DEFINITIONS.

Unless the context shall otherwise require: words in the singular shall also include the plural, and vice versa; any pronoun shall include the corresponding masculine, feminine and neuter forms; the words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation"; the words "herein," "hereof" and "hereunder" and words of similar import refer to this Agreement in its entirety and not to any part hereof; all references herein to Sections or clauses shall be deemed references to Sections or clauses of this Agreement; any references to any agreement or other instrument or law, statute or regulation are to it as amended, supplemented or restated, from time to time (and, in the case of any law, to any successor provisions or re-enactment or modification thereof being in force at the time); any reference to "law" shall include any supranational, national, federal, state, local, or foreign statute or law and all rules and regulations promulgated thereunder; any reference to a "day" or a number of "days" (without any explicit reference otherwise, such as to business days) shall be interpreted as a reference to a calendar day or number of calendar days; reference to a month or year means according to the Gregorian calendar; reference to a "person" shall include a natural person, partnership, firm, company, corporation, limited liability company, association, other legal entity, joint venture, trust, unincorporated organization, estate, or a government municipality or any political, governmental, regulatory or similar agency or body; the headings of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

19. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument; it being understood that parties need not sign the same counterpart. The exchange of an executed Agreement (in counterparts or otherwise) by electronic mail, electronic delivery in pdf. format or other similar image, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document shall be sufficient to bind the parties to the terms and conditions of this Agreement, as an executed original counterpart.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties, each acting under due and proper authority, have executed this Indemnification Agreement as of the date first mentioned above, in one or more counterparts.

Gauzy Ltd.

By: _____
Name and Title: _____

Indemnitee:

Name: _____

Signature: _____

Address: _____

EXHIBIT A*

CATEGORY OF INDEMNIFIABLE EVENT

1. Matters, events, occurrences or circumstances in connection or associated with employment relationships with employees or consultants or any employee union or similar or comparable organization.

2. Matters, events, occurrences or circumstances in connection or associated with business relations of any kind between the Company and its employees, independent contractors, customers, suppliers, partners, distributors, agents, resellers, representatives, licensors, licensees, service providers and other business associates.

3. Negotiations, execution, delivery and performance of agreements of any kind or nature and any decisions or deliberations relating to actions or omissions relating to the foregoing; any acts, omissions or circumstances that do or may constitute or are alleged to constitute anti-competitive acts, acts of commercial wrongdoing, or failure to meet any standard of conduct which is or may be applicable to such acts, omissions or circumstances.

4. Approval of and recommendation or information provided to shareholders with respect to any and all corporate actions, including the approval of the acts of the Company's management, their guidance and their supervision, matters relating to the approval of transactions with Office Holders (including, without limitation, all compensation related matters) or shareholders, including controlling persons and Claims and allegations of failure to exercise business judgment, participation and/or non-participation at Board meetings and/or voting and/or abstention from voting at Board meetings, reasonable level of proficiency, expertise, care or any other applicable standard, with respect to the foregoing or otherwise with respect to the Company's business, strategy, operations and prospective outlook, and any discussions, deliberations, reviews or other preparatory or preliminary phases relating to any of the foregoing.

5. Violation, infringement, misappropriation, dilution and other misuse of copyrights, patents, designs, trade secrets, confidential information, proprietary information and any intellectual property rights, acts in connection with the registration, assertion or protection of rights to intellectual property and the defense of Claims related to intellectual property, breach of confidentiality obligations, acts in regard of invasion of privacy or any violation of privacy or privacy related right or regulation, including with respect to databases or handling, collection or use of private information, acts in connection with slander and defamation, and Claims in connection with publishing or providing any information, including any filings with any governmental authorities, whether or not required under any applicable laws.

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6. Violations of or failure to comply with corporate or securities laws, and any regulations or other rules promulgated thereunder, of any jurisdiction, including without limitation, Claims under the Israeli Companies Law, or Claims under the U.S. Securities Act of 1933 or the U.S. Exchange Act of 1934 or under the Israeli Securities Law, fraudulent disclosure Claims, failure to comply with any securities or corporate authority or any stock exchange disclosure or filing or other rules and any other Claims relating to relationships with investors, debt holders, shareholders, optionholders, holders of any other equity or debt instrument of the Company, and otherwise with the investment community (including without limitation any such Claims relating to a merger, acquisition, change in control transaction, issuance of securities, restructuring, spin out, spin off, divestiture, recapitalization or any other transaction relating to the corporate structure or organization of the Company); Claims relating to or arising out of financing arrangements, any breach of financial covenants or other obligations towards investors, lenders or debt holders, class actions, violations of laws requiring the Company to obtain regulatory and governmental licenses, permits and authorizations in any jurisdiction, including in connection with disclosure, offering or other transaction related documents; actions taken in connection with the issuance, purchase, holding or disposition of any type of securities of Company, including, without limitation, the grant of options, warrants or other rights to purchase any of the same or any offering of the Company's securities (whether on behalf of the Company or on behalf of any holders of securities of the Company) to private investors, underwriters, resellers or to the public, and listing of such securities, or the offer by the Company to purchase securities from the public or from private investors or other holders, and any undertakings, representations, warranties and other obligations related to any of the foregoing or to the Company's status as a public company or as an issuer of securities.

7. Liabilities arising in connection with any products or services developed, distributed, rendered, sold, provided, licensed or marketed by the Company or any Affiliate thereof, and any actions or omissions in connection with the distribution, provision, sale, marketing, license or use of such products or services, including without limitation in connection with professional liability and product liability Claims or regulatory or reputational matters.

8. The offering of securities by the Company (whether on behalf of itself or on behalf of any holder of securities and any other person) to the public and/or to offerees or the offer by the Company to purchase securities from the public and/or from private investors or other holders pursuant to a prospectus, offering documents, agreements, notices, reports, tenders and/or other processes.

9. Events, facts or circumstances in connection with change in ownership or in the structure of the Company, its reorganization, dissolution, winding up, any other arrangements concerning creditors' rights, merger, change in control, issuances of securities, restructuring, spin out, spin off, divestiture, recapitalization or any other transaction relating to the corporate structure or organization of the Company, and the approval of failure to approve of any corporate actions and any matters relating to corporate governance, capital structure, articles of association or other charter or governance documents, appointment or dismissal of office holders or compensation thereof and appointment or dismissal of auditors, internal auditor or any other person performing any services for the Company.

10. Any claim or demand made in connection with any transaction not in the ordinary course of business of the Company, as well as the sale, lease, purchase or acquisition of, or the receipt or grant of any rights with respect to, any assets or business.

11. Any claim or demand made by any third party suffering any personal injury and/or bodily injury or damage to business or personal property or any other type of damage through any act or omission attributed to the Company, or its employees, agents or other persons acting or allegedly acting on its behalf, including, without limitation, failure to make proper safety arrangements for the Company or its employees and liabilities arising from any accidental or continuous damage or harm to the Company's employees, its contractors, its guests and visitors as a result of an accidental or continuous event, or employment conditions, permanent or temporary, in the Company's offices.

12. Any claim or demand made directly or indirectly in connection with complete or partial failure, by the Company or its directors, officers and employees, to pay, report, keep applicable records or otherwise, of any local or foreign federal, state, county, municipal or city taxes or other taxes or compulsory payments of any nature whatsoever, including, without limitation, income, sales, use, transfer, excise, value added, registration, severance, stamp, occupation, customs, duties, real property, personal property, capital stock, social security, unemployment, disability, payroll or employee withholding or other withholding, including any interest, penalty or addition thereto, whether disputed or not.

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13. Any administrative, regulatory, judicial or civil actions orders, decrees, suits, demands, demand letters, directives, Claims, liens, or notices of noncompliance or violation by any governmental entity or other person alleging potential responsibility or liability (including potential responsibility or liability for costs of enforcement investigation, cleanup, governmental response, removal or remediation, for natural resources damages, property damage, personal injuries or penalties or for contribution, indemnification, cost recovery, compensation or injunctive relief) arising out of, based on or related to (a) the presence of, release, spill, emission, leaning, dumping, pouring, deposit, disposal, discharge, leaching or migration into the environment (each a "**Release**") or threatened Release of, or exposure to, any hazardous, toxic, explosive or radioactive substances, contaminants, wastes or other pollutants, and all other substances or wastes of any nature regulated pursuant to any environmental law, at any location, whether or not owned, operated, leased or managed by the Company or any of its subsidiaries, or (b) circumstances forming the basis of any violation of any environmental law or environmental permit, license, registration or other authorization required under applicable environmental law.

14. Any administrative, regulatory or judicial actions, orders, decrees, suits, demands, demand letters, directives, claims, liens, investigations, proceedings or notices of noncompliance or violation by any governmental or regulatory entity or authority or any other person alleging the failure to comply with any statute, law, ordinance, rule, regulation, order or decree of any governmental entity applicable to the Company or any of its businesses, assets or operations, or the terms and conditions of any operating certificate or licensing agreement.

15. Participation and/or non-participation at Company Board meetings, expression of opinion or view and/or voting and/or abstention from voting at Company Board meetings, including, in each case, any committee thereof, as well as expression of opinion publicly in connection with the service as an Office Holder.

16. Review and approval of the Company's financial statements and any specific items or matters within, including any action, consent or approval related to or arising from the foregoing, including, without limitations, engagement of or execution of certificates for the benefit of third parties related to the financial statements.

17. Violation of laws, rules or regulations requiring the Company to obtain regulatory and governmental licenses, permits and authorizations (including without limitation relating to export, import, encryption, antitrust or competition authorities) or laws related to any governmental grants in any jurisdiction.

18. Resolutions and/or actions relating to investments in the Company and/or its subsidiaries and/or affiliated companies and/or investment in corporate or other entities and/or investments in other traded or non-traded securities and/or any other form of investment.

19. Liabilities arising out of advertising, including misrepresentations regarding the Company's products or services and unlawful distribution of emails.

20. Management of the Company's bank accounts, including money management, foreign currency deposits, securities, loans and credit facilities, credit cards, bank guarantees, letters of credit, consultation agreements concerning investments including with portfolio managers, hedging transactions, options, futures, and the like.

21. All actions, consents and approvals, including any prior discussions, reviews and deliberations, relating to a distribution of dividends, in cash or otherwise, or to any other "distribution," as such term is defined under the Companies Law.

22. Any claim or demand made in connection with any preparation or formulation of work plans, including pricing, marketing, distribution, instructions to employees, customers and suppliers, and collaboration with competitors.

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23. Any administrative, regulatory, judicial, civil or criminal, actions orders, decrees, suits, demands, demand letters, directives, claims, liens, investigations, proceedings or notices of noncompliance, violation or breaches alleging potential responsibility, liability, loss or damage (including potential responsibility or liability for costs of enforcement, investigation, cleanup, governmental response, removal or remediation, property damage or penalties, or for contribution, indemnification, cost recovery, compensation or injunctive relief), whether alleged or claimed by customers, consumers, regulators, shareholders or others, arising out of, based on or related to: (a) cyber security, cyber-attacks, data loss or breaches, unauthorized access to information, data, or databases (including but not limited to any personally identifiable information or private health information) and use or disclosure of information contained therein, not preventing or detecting the breach or failing to otherwise disclose or respond to the breach; (b) circumstances forming the basis of any violation of any law, permit, license, registration or other authorization required under applicable law governing data security, data protection, network security, information systems, privacy or any cyber environment (including, users, networks, devices, software, processes, information systems, databases, information in storage or transit, applications, services, and systems that can be connected directly or indirectly to networks); (c) failure to implement a reporting system or control, or failure to monitor or oversee the operation of such a system; (d) data destruction, extortion, theft, hacking, and denial of service attacks; losses or liabilities to others caused by errors and omissions, failure to safeguard data or defamation; or (e) security-audit, post-incident public relations and investigative expenses, criminal reward funds, data breach/privacy crisis management (including, management of an incident, investigation, remediation, data subject notification, call management, credit checking for data subjects, legal costs, court attendance and regulatory fines), extortion liability (including, losses due to a threat of extortion, professional fees related to dealing with the extortion), or network security liability (including, losses as a result of denial of access, costs related to data on third-parties and costs related to the theft of data on third-party systems).

24. Acts or omissions resulting in the failure to maintain appropriate insurance and/or inadequate safety measures and/or inadequate risk management.

The Limit Amount for all Indemnifiable Persons during each relevant period referred to in Section 1.2 of the Agreement for all events described in this Exhibit A (in Sections 1-24 (inclusive) above), shall be the greater of:

(a) twenty-five percent (25%) of the Company's total shareholders' equity according to the Company's most recent consolidated financial statements as of the time of the actual payment of indemnification; and

(b) US $25 million.

The Limit Amount for all Indemnifiable Persons in connection with or arising out of a public offering of the Company's securities, shall not exceed, in any case, the aggregate amount of the gross proceeds from the sale by the Company and/or any shareholder of Company's securities in such offering.

* Any reference in this Exhibit A to the Company shall include the Company and any entity in which Indemnitee serves in a Corporate Capacity.

Exhibit 10.2

GAUZY LTD.
2016 SHARE AWARD PLAN

GAUZY LTD.
2016 SHARE AWARD PLAN

1. **Purposes of the Plan**.

The purpose of this 2016 Share Award Plan (the "**Plan**") is to advance the interests of GAUZY LTD. (the "**Company**") and its shareholders by attracting and retaining the best available personnel for positions of substantial responsibility, providing additional incentive to employees, officers, directors, advisors and consultants and promoting a close identity of interests between those individuals and the Company and/or its Affiliate.

2. **Definitions**.

As used herein, the following definitions shall apply:

2.1. "Administrator" means the Board or any of its Committees as shall be administrating the Plan, in accordance with Section 3 hereof.

2.2. "Affiliate" means any entity controlling, controlled by or under common control with the Company. For the purpose of this definition of Affiliate, control shall mean the ability, to direct the activities of the relevant entity and/or shall include the holding of more than 50% of the capital or the voting of such entity and any "employing company" within the meaning of Section 102(a) of the Ordinance.

2.3. "Applicable Law" means including but not limited to the requirements under Israeli tax laws, Israeli social security laws, Israel security laws, Israel companies laws, any stock exchange or quotation system on which the shares are listed or quoted and the applicable law of any country or jurisdiction where Awards are granted under the Plan.

2.4. "Award" means a grant of Option and/or Share under the Plan or any Sub Plan, including, restricted shares and/or restricted share units and/or stock appreciation rights and/or performance units, performance shares and other stock or cash awards as the Administrator may determine.

2.5. "Award Agreement" means the written or electronic agreement setting forth the terms and provisions applicable to each Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

2.6. "Board" means the Board of Directors of the Company.

2.7. "Committee" means a compensation committee, if any, of the Board, designated from time to time by the resolution of the Board, which shall consist of members of the Board.

2.8. "Consultant" means any person or entity who is engaged by the Company or any Affiliate to render consulting or advisory services to such entity.

2.9. "Controlling Shareholder" for purposes of Section 102 shall have the meaning ascribed to it in Section 32(9) of the Ordinance.

2.10. "Director" means a member of the Board.

2.11. "Employee" means any person who is employed by the Company or its Affiliates, including an individual who is serving as a director or "*Nosei Misra*", as such term is defined in the Israeli Companies Law, 5759-1999 (the "**Companies Law**"), but excluding Controlling Shareholder as defined in section 32(9) of the Ordinance.

2.12. "Fair Market Value" means, as of any date, the value of a Share determined as follows: (i) if the Shares are listed on any established stock exchange or a national market system, including without limitation the Nasdaq National Market or The Nasdaq SmallCap Market of The Nasdaq Stock Market, their 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 the time of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable or (ii) If the Shares are regularly quoted by a recognized securities dealer but selling prices are not reported, their 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; (iii) in the absence of an established market for the Shares, the Fair Market Value thereof shall be determined in good faith by the Administrator; Without derogating from the above and solely for the purpose of determining the tax liability pursuant to Section 102(b)(3), 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 under Section 102 Capital Gain Track, the fair market value of the 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.

2.13. "ITA" means the Israeli Tax Authority

2.14. "Option" means an option to purchase Share pursuant to the Plan or any Sub Plan.

2.15. "Ordinance" means the Israeli Income Tax Ordinance [New Version], 5721-1961 and any regulation, rules, orders or other procedures promulgated thereunder as now in effect or as hereafter amended.

2.16. "Participant" means the holder of an Award granted under the Plan or any Sub Plan.

2.17. "Section 102" means Section 102 of the Ordinance.

2.18. "Section 3(i)" means Section 3(i) of the Ordinance.

2.19. "Section 102 Capital Gain Track" means grant of Award with a Trustee under the capital gain track as defined in Section 102(b)(2) of the Ordinance.

2.20. "Section 102 Employment Income Track" means grant of Award with a Trustee under the employment income track as defined in Section 102(b)(1) of the Ordinance.

2.21. "Section 102 Non Trustee Track" means grant of Award without a trustee as defined in Section 102(c) of the Ordinance.

2.22. "Share" means ordinary share par value 1 NIS of the Company.

2.23. "Sub Plan" means any sub plan subject to the terms of the Plan.

3. **Administration of the Plan**.

3.1. **Procedure**.

3.1.1. The Plan shall be administered by the Board or a Committee appointed by the Board.

3.1.2. In administering the Plan, the Board and/or the Committee (subject to the provisions under the Companies Law) shall comply with all Applicable Laws.

3.2. Powers of the Administrator. Subject to the provisions of the Plan, Applicable Law and the approval of any relevant authorities, the Administrator shall have the authority, in its discretion:

3.2.1. to grant Award under the Plan;

3.2.2. to construe and interpret the terms of the Plan and any Award granted pursuant to the Plan;

3.2.3. to determine the number of Shares to be covered by each such Award granted hereunder;

3.2.4. to determine the exercise price of the Shares covered by each Option;

3.2.5. to determine the Participant to whom, and the time or times at which Award shall be granted;

3.2.6. to prescribe forms of agreement for use under the Plan;

3.2.7. to determine the terms and conditions of any Award granted hereunder;

3.2.8. to determine the Fair Market Value of the Shares;

3.2.9. to prescribe, amend and rescind rules and regulations relating to the Plan;

3.2.10. subject to Applicable Law, to make an Election (as defined below);

3.2.11. to appoint a Trustee (as defined below);

3.2.12. to amend the Plan and/or the terms and conditions under which Award has been granted under the Plan;

3.2.13. to accelerate the vesting periods of Award Agreement;

3.2.14. to take all other actions and make all other determinations necessary for the administration of the Plan.

3.3. Effect of Administrator's Decision. All decisions, determinations and interpretations of the Administrator shall be final and binding on all Participants. No member of the Administrator shall be liable for any action or determination with respect to the Plan or any Award granted thereunder.

3.4. Grants to Administrator Members. A member of the Administrator shall be eligible to receive Award under the Plan while serving on the Administrator, in accordance with the provisions of any Applicable Law.

3.5. Certain Award Grants. All grants of Award to Participants pursuant to this Plan shall be authorized and implemented in accordance with the provisions of the Companies Law and the Ordinance.

4. **Eligibility**.

4.1. Subject to the provisions of the Plan, the Administrator may at any time, and from time to time, grant Award to Participants under the Plan.

4.2. Award granted under this Plan to Employees shall be granted pursuant to the provisions of Section 102 Capital Gain Track, Section 102 Employment Income Track and/or Section 102 Non Trustee Track (together: "**Section 102 Tracks**"). All Section 102 Tracks shall be subject to the provisions of Section 102 and the Ordinance and any pre-ruling related thereto including the Income Tax Rules (Tax Benefits in Share Issuance to Employees), 5763-2003 (the "**Rules**"). The Board shall make an election with respect to either Section 102 Capital Gain Track or Section 102 Employment Income Track in accordance with the provisions of Section 102(g) of the Ordinance (the: "**Election**").

4.3. For avoidance of doubt, the grant of Award under Section 102 Capital Gain Track and Section 102 Employment Income Track, is subject to approval and filing the Company's Election with the ITA at least thirty (30) days prior to the date of first grant of Awards, all in accordance with Section 102 and the regulations promulgated thereunder.

4.4. Award under Section 102 Capital Gain Track and Section 102 Employment Income Track shall be held in trust pursuant to section5 of the Plan.

4.5. Award granted under this Plan to Consultant and/or to Controlling Shareholders shall be granted pursuant to the provisions of Section 3(i). Administrator may determine, in its sole discretion, that any such Awards shall be held in trust pursuant to the provisions of the Plan.

4.6. Award pursuant to Section 102 of the Ordinance shall be granted only to Employees of the Company who are not Controlling Shareholders of the Company.

4.7. For the avoidance of any doubt, the designation of Section 102 Capital Gain Track, Section 102 Employment Income Track and Section 102 Non Trustee Track shall be subject to the terms and conditions of Section 102.

4.8. The receipt of an Award under the Plan shall not confer upon any Participant any right with respect to continuing the Participant's relationship with the Company or an Affiliate as an Employee, Consultant or service provider nor shall it interfere in any way with his or her right or the Company's right, or the right of the Company's Affiliate, to terminate such relationship at any time, with or without Cause, as defined herein.

4.9. Section 102 Non Trustee Track. With respect to the grant of Section 102 Non Trustee Track, the Participant will be obligated to provide the Company with any form of collateral or guarantee, which shall satisfy the demands of the Committee in its sole discretion, in order to secure payment by the Participant of any applicable income tax and/or social charges due in the event that the Participant is no longer employed by the Company when the Shares are sold and the related taxes become due and payable. The grant of Section 102 Non Trustee Track to Participant shall be made in accordance with the provisions of Section 102(c).

5. **Appointment of a Trustee**.

5.1. In case of Election of either Section 102 Capital Gain Track or Section 102 Employment Income Track, the Board shall elect and appoint a Trustee (the "**Trustee**"). Upon such an appointment, a trust agreement, which complies with the relevant and Applicable Law, will be signed between the Trustee and the Company.

5.2. In case of Election of either Section 102 Capital Gain Track or Section 102 Employment Income Track, all Awards granted (and Shares issued upon exercising of Options) shall be held by the Trustee and registered in the Trustee's name for the benefit of Employee. Awards or any Shares allocated or issued upon exercise of Options and/or other shares and/or rights received subsequently following any realization of rights, including without limitation bonus shares and dividends, shall be registered and held by the Trustee for the benefit of the Employee at least until the end of the restricted period as defined in Section 102 (the "**Restricted Period**").

5.3. In the event the requirements under Section 102 Capital Gain Track or Section 102 Employment Income Track are not met, then such Award shall be treated in accordance with the provisions of Section 102 and will result in adverse tax consequences pursuant to Section 102.

5.4. Notwithstanding anything to the contrary, the Trustee shall not release any Award (Shares and/or Options or Shares allocated or issued upon exercise of Options including any dividends and/or bonus shares), granted under Section 102 Capital Gain Track and Section 102 Employment Income Track prior to the full payment of the Participant's tax liabilities arising from such Awards.

5.5. As long as the applicable tax has not been paid, neither the Option nor the Shares subject to the Award, as the case may be, may be sold, transferred, assigned, pledged or attorney for mortgaged (other than through a transfer by will or by operation of law), nor may be subject of an attachment, power of attorney or transfer deed (other than a power of the purpose of participation in shareholders meetings or voting such Shares) unless Section 102 and/or the regulations, rules, orders or procedures promulgated thereunder allow otherwise.

5.6. With respect to any Award granted under Section 102 Capital Gain Track and Section 102 Employment Income Track, subject to the provisions of Section 102 and any rules or regulation or orders or procedures promulgated thereunder, a Participant shall not be entitled to sell and/or release from trust any Shares or Options and/or Share received upon the exercise of an Option and/or any other asset received, including without limitation any dividends and/or bonus shares, until the lapse of the Restricted Period and/or in accordance with tax ruling obtained.

5.7. The Trustee shall be exempt from any liability in respect of any action or decision duly taken in its capacity as a Trustee, provided, however, that the Trustee acted at all times in good faith.

6. **Shares Subject to the Plan**.

Subject to the provisions of Section 12 of the Plan, the maximum aggregate number of Shares which may be received under the Plan shall be determined by the Board from time to time. Shares distributed pursuant to the Plan may consist of authorized but unissued Shares.

If an Award expires or becomes non-exercisable without having been exercised in full, the non-purchased Shares which were subject thereto shall become available for grant or sale under the Plan.

7. **Exercise Price and Method of Payment**.

7.1. The exercise price of an Award shall be determined by the Administrator on the date of grant in accordance with Applicable Law and subject to guidelines as shall be suggested by the Board from time to time.

7.2. The consideration for the exercise of Option shall be payable in a form satisfactory to the Administrator, including without limitation, by cash or check. The Administrator shall have the authority to postpone the date of payment on such terms as it may determine. In addition the Administrator in his full discretion and subject to Applicable Law and/or tax ruling issued by the ITA may adopt a cashless and/or net exercise method.

7.3. 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.

8. **Exercise of Option**

8.1. Any Option granted hereunder shall be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share.

8.2. An Option shall be deemed exercised when the Company receives: (i) a written or electronic notice of exercise (in accordance with the Award Agreement) from the person entitled to exercise the Option, and (ii) full payment of the exercise price for such Shares with respect to which the Option is exercised. Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by Applicable Law, the Award Agreement and the Plan. Shares issued upon exercise of an Option shall be issued in the name of the Participant, provided that Shares issued upon exercise of any Option which was granted under Section 102 Capital Gain Track or under Section 102 Employment Income Track shall be held, issued and registered in the name of the Trustee for the benefit of the Participant until the end of the Restricted Period.

8.3. If any law or regulation requires the Company to take any action with respect to the Shares specified in such notice of exercise before the issuance thereof, then the date of their issuance shall be extended for the period necessary to take such action.

8.4. Subject to Applicable Law, an Option may not be exercised unless, at the time the Participant gives notice of exercise to the Company, the Participant includes with such notice also payment in cash or by bank check (or payment through sale of shares) of all withholding taxes due, if any, on account of his or her acquired Shares under the Option or gives other assurance satisfactory to the Administrator of the payment of those withholding taxes.

8.5. Exercise of an Option in any manner shall result in a decrease in the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

9. **Term of Award**.

The term of Award shall expire on such date or dates as the Administrator shall determine at the time of the grant;provided, however, that the term of an Award shall not exceed ten (10) years from the date of grant thereof and subject to section 11 of the Plan.

10. **Non-Transferability of Award**.

Award and the rights and privileges thereof shall not be sold, pledged, assigned, hypothecated, transferred, mortgaged, seizure or given as collateral or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised during the lifetime of the Participant, only by the Participant and subject to the provisions of Section 102 and/or any Applicable Law, and shall not be subject to sale under execution, attachment, levy or similar process.

11. **Termination**.

11.1. In the event of termination of Participant's employment with the Company or any of its Affiliates, or if applicable, the termination of services given to the Company or any of its Affiliates by the Participant, (i) all Options granted to Participant, which are vested and exercisable at the time of such termination, may, unless earlier terminated in accordance with the Award Agreement, be exercised within three (3) months after the date of such termination (or such different period as the Administrator shall prescribe) but in no event later than the expiration of the term of such Option as set forth in the Award Agreement. On the date of termination, all unvested Options shall expire and the Shares covered by the unvested portion of the Option shall revert to the Plan. If vested Option upon termination is not so exercised within the time specified above, the Option shall expire, and the Shares covered by such Option shall revert to the Plan (ii) with respect to Awards other than Options, all Awards granted to Participant, which are unvested and/or the restrictions have not lapsed, at the time of such termination, shall terminate, expire and revert to the Plan.

11.2. In the event of termination of Participant's employment with the Company or any of its Affiliates, or if applicable, the termination of services given to the Company or any of its Affiliates by the Participant, by reason of death or total and permanent disability, (i) all Options granted to Participant, which are vested and exercisable at the time of such termination may be exercised by the Participant, the Participant's legal guardian, the Participant's estate or a person who acquires the right to exercise the Option upon bequest or inheritance, as the case may be, within twelve (12) months after termination to the extent the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). If, on the date of termination, a portion of the shares covered by the Participant's Option is not vested in full, the unvested Shares shall revert to the Plan. If vested Shares covered by the Option is not so exercised within the period specified above, the Option shall expire, and the Shares covered by such Option shall revert to the Plan (ii) with respect to Awards other than Options, all Awards granted to Participant, which are unvested and/or the restrictions have not lapsed at the time of such termination, shall terminate, expire and revert to the Plan.

11.3. Notwithstanding Sections 11.1 and 11.2 of the Plan, in the event of termination of Participant's employment with the Company or any of its Affiliates, or if applicable, the termination of services given to the Company or any of its Affiliates by the Participant for Cause (as defined hereunder), all outstanding Awards granted to such Participant (whether vested or not) shall, to the extent not exercised, terminate on the date of such termination, unless otherwise determined by the Administrator, and the Shares covered by such Award shall revert to the Plan.

11.4. For purposes of this Section, termination for "**Cause**" shall mean any of the following: (i) Participant has committed a dishonorable criminal offense; (ii) Participant is in breach of Participant's duties of trust or loyalty to Company and/or Affiliate; (iii) Participant deliberately causes harm to Company's and/or Affiliate's business affairs, and/or any action by the Participant which has a detrimental effect on the Company and/or its Affiliate's reputation or business; (iv) Participant breaches the confidentiality and/or non-competition and/or non-solicitation and/or assignment of inventions provisions of any agreement between the Company and/or Affiliate and the Participant and/or the provisions relating to confidentiality of the terms and conditions of any agreement signed between the Company and/or Affiliate and the Participant; (v) the Participant's failure or inability to perform any reasonable assigned duties after written notice from the Company and/or its Affiliate of, and a reasonable opportunity to cure, such failure or inability; and/or (vi) circumstances that do not entitle Participant to severance payments under any applicable law and/or under any judicial decision of a competent tribunal.

11.5. In the event that the Participant does not comply in full with any of non-compete, non solicitation, confidentiality or any other requirements of any agreement between the Company and/or Affiliate and the Participant (whether before or after termination of Participants employment or engagement, as applicable, by the Company and/or its Affiliate), the Administrator may, in its sole discretion, refuse to allow the exercise of the Options and all outstanding Options, shall be terminated, and the Shares covered by such Option shall revert to the Plan.

12. **Adjustments upon Changes in Capitalization**.

In the event of a shares split, reverse shares split, shares dividend, recapitalization, combination or reclassification of the Shares, rights issuance or any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company (but not the conversion of any convertible securities of the Company), the Administrator in its sole discretion may make an appropriate adjustment in the number of Shares related to each outstanding Award, the number of Shares reserved for issuance under the Plan, as well as the exercise price per Share of each outstanding Option, provided, however, that any fractional shares resulting from such adjustment shall be

rounded down to the nearest whole share unless otherwise determined by the Administrator. 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 an Award granted to a Participant, and no adjustment by reason thereof shall be made with respect to the number or price of Shares subject to an Award.

13. **Dissolution or Liquidation**.

In the event of dissolution or liquidation of the Company, the Administrator shall notify each Participant as soon as practicable prior to the effective date of such transaction. The Administrator in its discretion will determine the period of time of which Option (which is vested and exercisable) may be exercised, which in no event is less than fifteen (15) days prior to such transaction. To the extent the Option has not been previously exercised, the Option will expire immediately prior to the consummation of such proposed action.

14. **Merger/Sale**.

14.1. In the event of a single transaction and/or a series of transactions in connection with any of the following events: (i) the sale, transfer or other disposition of all or substantially all of the assets of the Company for cash, securities or any other asset, (ii) a sale (including an exchange) of all or substantially all of the shares of the Company (iii) a merger, acquisition, consolidation, amalgamation or like transaction of the Company with or into another corporation whereas the Company is not the surviving Company (iv) a scheme of arrangement for the purpose of effecting such sale, merger, acquisition, consolidation or amalgamation, or (v) such other transaction that is determined by the Board to be a transaction having a similar effect (all such transactions being herein referred to as a "**Merger/Sale**"), then, without the Participant's consent or action:

(i) Any surviving corporation or acquiring corporation or any parent or affiliate thereof, all as determined by the Board in its discretion, may assume or continue any Awards outstanding under the Plan in all or in part or shall substitute to similar awards in all or in part.

(ii) In the event that the Awards are not assumed or substituted (in all or in part), then the Board may (but shall not be obligated to), in lieu of such assumption or substitution of the Award and in its sole discretion: (a) provide the Participant with the right to exercise the vested Award and/or cancel all of the unvested Awards and/or (b) provide for the cancellation of each outstanding Award at the closing of such Merger/Sale, and payment (by cash and/or securities) to the Participant for any vested Award, as determined by the Board, all subject to such terms and conditions as determined by the Board.

(iii) The Board shall have the right (but not the obligation) to accelerate of the vesting of an Award, as to all or part of the Shares covered by the Award which would not otherwise be exercisable or vested, and all under such terms and conditions as the Board shall determine on a case-by-case basis.

14.2. Notwithstanding the above, in the event of a Merger/Sale in which all or substantially all of the Shares of the Company are to be exchanged for securities of another company, each Participant shall be obliged to sell or exchange, as the case may be, any Shares issued to the Participant under the Plan, in accordance with the instructions issued by the Board, whose determination shall be final.

14.3. Notwithstanding the foregoing, in the event of a Merger/Sale, the Board may determine, in its sole discretion, that upon or prior to completion of such Merger/Sale, the terms of the Plan shall be amended and/or modified and/or the terms of any Award be otherwise amended, modified or terminated, as the Board shall deem to be appropriate, including but not limited to, that the Award shall confer the right to purchase or receive any other security or asset, or any combination thereof, or that its terms be otherwise amended, modified or terminated, as the Board shall deem to be appropriate.

14.4. Neither the authorities and powers of the Board under this section nor the exercise or implementation thereof, shall (i) be restricted or limited in any way by any adverse consequences (tax or otherwise) that may result to any holder of an Award, and (ii) be deemed to constitute a change or an amendment of the rights of such holder under this Plan, nor shall any such adverse consequences (as well as any adverse tax consequences that may result from any tax ruling or other approval or determination of any relevant tax authority) be deemed to constitute a change or an amendment of the rights of such holder under this Plan.

14.5. For avoidance of doubt, it is hereby clarified that any tax consequences arising from the above described, shall be borne solely by the Participant.

14.6. Notwithstanding the above said, the Board may, in its sole discretion, decide other terms regarding the treatment of the outstanding Awards, in case of Merger/Sale and/or in case of an initial public offering of the securities of the Company ("**IPO**").

15. **Articles of Association; Shareholders Agreement; Lock-Up**.

15.1. Participant acknowledges the terms and provisions of the Article of Association of the Company, as shall be amended from time to time.

15.2. Participant acknowledges and accepts the terms and provisions of any shareholders agreements as applicable to other shareholders holding Shares of the Company, and hereby agrees to be bound by their terms as if he or she was an original party thereof.

15.3. Participant acknowledges that until the consummation of an IPO, Shares issued to the Participant upon an exercise of an Option, shall not be sold, pledged, assigned, hypothecated, transferred, mortgaged, seizure or given as collateral or disposed of in any manner other than by will or by the laws of descent or distribution and shall not be subject to sale under execution, attachment, levy or similar process, unless determined otherwise by the Board.

15.4. Participant acknowledges that in the event that the Company's shares shall be registered for trading in any public market, Participant'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 Participant unconditionally agrees and accepts any such limitation.

16. **Date of Grant**.

Subject to Applicable Law, the date of grant of an Award shall, for all purposes, be the date on which the Administrator makes the determination granting such Participant.

17. **Rights as a Shareholder; Voting and Dividends**.

17.1. Prior to exercise of an Option and with respect to restricted shares during the period of restrictions, a Participant shall have none of the rights of a shareholder of the Company. Upon exercise of an Option, a Participant shall have no shareholder rights until the Shares are issued, as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company.

17.2. Upon issuance of Shares as a result of exercise of Options, the Shares shall carry equal voting rights on all matters where such vote is permitted by Applicable Law. The Company shall issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other shareholder right for which the record date precedes the date of issuance of the Shares, unless otherwise determined by the Board.

17.3. Until the consummation of an IPO, the Shares covered under an Award shall be voted by an irrevocable proxy (the "**Proxy**"), such Proxy to be assigned to the person or persons designated by the Board to vote the Shares for the benefit of the Participant. Such person or persons designated by the Board shall be indemnified and held harmless by the Company and/or its Affiliate and the Participant 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 and/or its Affiliate) arising out of any act or omission to act in connection with the voting of such Proxy unless arising out of such person's own fraud or bad faith, to the extent permitted by Applicable Law. Such indemnification shall be in addition to any rights of indemnification such person(s) may have as a director or otherwise under the Company's incorporation documents, any agreement, any vote of shareholders or disinterested directors, insurance policy or otherwise.

18. **Tax Consequences**.

18.1. Any tax consequences arising from the grant of any Award and/or vesting of Award and/or exercise of any Option and/or from sale of Shares and/or any disposition of Shares or Award and/or from any other event or act (whether of the Participant or of the Company or its Affiliates or of the Trustee) hereunder, shall be borne solely by the Participant.

18.2. The Company and/or the Trustee shall have the right to withhold taxes according to the requirements under Applicable Laws, rules, and regulations, including withholding taxes at source and under Section 102 or Section 3(i).

18.3. Furthermore, a Participant shall indemnify the Company and/or Affiliate and/or the Company's shareholders and/or directors and/or officers, 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 tax.

18.4. Except as otherwise required by law, the Company shall not be obligated to honor the exercise of any Option by or on behalf of an Participant until all tax consequences (if any) arising from the exercise of such Options and/or sale of Shares and/or Award are resolved in a manner reasonably acceptable to the Company.

18.5. With respect to Awards granted under Section 102 Capital Gain Track and Section 102 Employment Income Track, the Trustee and/or the Company will withhold any tax due to the ITA according to applicable trust agreement, the Plan and any Applicable Law.

18.6. Without derogating the above, the Participant's Award shall be subject to any tax ruling and/or other arrangements between the Company and tax authorities.

19. **No Rights to Employment.**

Nothing in the Plan or in any Award granted or agreement entered into force pursuant hereto shall confer upon any Participant the right to continue an employment relationship, or to continue in a consultant, director, officer or service provider relationship with the Company or Affiliate or to be entitled to any remuneration or benefits not set forth in the Plan or such agreement or to interfere with or limit in any way the right of the Company or Affiliate to terminate such Participant's relationship.

20. **Term, Termination and Amendment of the Plan.**

20.1. The Plan shall become effective upon its adoption by the Board and shall continue in effect for a term of ten (10) years from the date of adoption unless sooner terminated.

20.2. The Board may at any time amend, alter, suspend or terminate the Plan or the term and conditions of Award granted under the Plan

20.3. Termination of the Plan shall not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

21. **Conditions Upon Issuance of Shares.**

21.1. Legal Compliance. 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 Law and shall be further subject to the approval of counsel for the Company with respect to such compliance.

21.2. Investment Representations. As a condition to the exercise of an Option, or the grant of an Award, the Administrator may require the Participant to represent and warrant at the time of such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

21.3. Other Compliance. At the time of issuance, the Participant is not in default under any agreement between the Company and any of its Affiliates and Participant.

22. **Inability to Obtain Authority**.

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 of any Shares hereunder, shall release the Company from any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

23. **Reservation of Shares**.

The Company, during the term of this Plan, shall at all time reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

24. **Multiple Agreements.**

The terms of each Award may differ from other Awards granted under the Plan at the same time. The Administrator may also grant more than one Award to a given Participant during the term of the Plan in addition to one or more Awards previously granted to that Participant.

25. **Governing Law.**

This Plan shall be governed by and construed and enforced in accordance with the laws of the State of Israel, without giving effect to the principles of conflict of laws. The competent courts of Tel-Aviv, Israel shall have sole jurisdiction in any matters pertaining to the Plan.

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Exhibit 10.3

Confidential

GAUZY LTD. COMPENSATION POLICY
FOR OFFICE HOLDERS
(Originally adopted on [●], 2024)

I. Preamble

In accordance with the Israeli Companies Law, 5759-1999 and the regulations promulgated thereunder (together, as amended from time to time, the "**Companies Law**"), this document states the terms of Gauzy Ltd.'s Compensation Policy for its "**Office Holders**" (as such term is defined in the Companies Law) (the "**Compensation Policy**").

The effective date of this Compensation Policy is the date of its approval by Gauzy Ltd.'s ("**Gauzy**" or the "**Company**") shareholders and it shall serve as the Compensation Policy of the Company in respect of its Office Holders, as required by the Companies Law.

The adoption of this Compensation Policy will not grant any of the Company's current or future Office Holders a right to receive any components of compensation set forth in this Compensation Policy or otherwise. The components of compensation to which an Office Holder will be entitled will be exclusively those that are determined specifically in relation to him or her and in accordance with the requirements of the Companies Law. Nothing in this Compensation Policy shall be deemed to provide any rights or remedies to any person, other than the Company. In the event that the Companies Law contains or is amended to include any relief or exclusion, any such relief or exclusion shall be deemed incorporated into this Compensation Policy and shall supersede any provision hereof, including if such relief or exclusion creates a conflict, inconsistency or contradiction with the provisions hereof. This Compensation Policy will apply to compensation of Office Holders determined after its effective date and will not, and is not intended to apply to, or be deemed to amend, employment and/or compensation terms of Office Holders existing prior to such date.

II. Definitions

In this Compensation Policy, the following terms shall have the meanings set forth beside them respectively, unless the subject or context requires otherwise[1]:

"**Board of Directors**" – the board of directors of the Company.

"**Executive Director**" – a person who is employed by the Company in an executive position, which position, in and of itself, would cause such person to be an Office Holder of the Company and who also serves as a member of the Board of Directors.

"**Executive Officer**" – an Office Holder of the Company who does not serve as a member of the Board of Directors.

"**Non-Executive Director**" – a member of the Board of Directors who is not employed by the Company in an executive position, which executive position, in and of itself, would cause such person to be an Office Holder of the Company.[2]

1 References in this Compensation Policy to the employment or terms of employment of Office Holders shall also apply to the provision of services by Office Holders under a service contract (whether with such Office Holder or an entity controlled by him or her), *mutatis mutandis*. References herein to base salaries with respect to Office Holders with a service contract would mean the base fees payable under such contract. Value Added Tax payable by the Company under such service contract, if any, will not be considered or deemed to be part of an Office Holder's compensation.

2 To the extent the Company shall have an active chairperson or active vice-chairperson of the Board of Directors, such person would not be considered as a Non-Executive Director but rather as an Executive Director for the purposes of this Compensation Policy.

II. Company Philosophy and Compensation Policy Objectives

Gauzy believes that an effective executive compensation program is one that is designed to reward achievements and performance of its Office Holders and which aligns their interests with those of the Company and its shareholders. The Company believes that Office Holders should be compensated for achieving the Company's strategic targets and that an appropriate balance should be established between the various components of an Office Holder's compensation – fixed and variable compensation; measurable and discretionary components; short-, medium- and long-term components; and cash and equity-based compensation. Gauzy seeks to ensure that its ability to attract and retain highly-skilled employees in key positions is maintained and that the compensation provided to key employees remains competitive relative to the compensation of similarly situated executives in peer companies and the broader marketplace from which it recruits and competes for talent.

In formulating this Compensation Policy, Gauzy has considered, among other things, the following considerations:

- advancing the objectives of the Company, its work plan and long-term strategy;
- creating appropriate incentives to Office Holders of the Company, taking into account, among other things, the risk management policies of the Company;
- the Company's size, complexity and the nature and landscape of its operations; and
- regarding those sections of the Compensation Policy that provide for variable compensation components – the Office Holder's contribution to achieving corporate objectives and profit maximization, with a long-term perspective and in accordance with the role and position of the Office Holder with the Company.

In determining the compensation for each Office Holder, among other relevant factors, the following considerations shall be taken into account:

- the education, skills, expertise, professional experience and achievements of the Office Holder;
- the Office Holder's position in the Company (including geographical considerations) and his or her scope of responsibilities and contribution to the Company;
- the circumstances of the Office Holder's recruitment (which may include compensation arrangements with his or her previous employer) and the terms of prior employment or service agreements with the Company (if any);
- requirements prescribed by the Companies Law, U.S. securities laws, the rules and regulations of the U.S. Securities and Exchange Commission and the rules of the Nasdaq Stock Market, as applicable to the Company from time to time;
- a comparison of the terms of compensation of the Office Holder to the terms of compensation of other Office Holders in the Company; and
- a comparison of the total cost of compensation of the Office Holder and the Cost of Salary (as such term is defined in Part A of the First Addendum "A" to the Companies Law) of all Israeli employees of the Company (including, to the extent applicable, Manpower Contractors Engaged by the Company (as such term is defined in Part A of the First Addendum "A" to the Companies Law)), other than the Office Holder, if applicable, and most notably the ratio between the compensation of the Office Holder and the median and average salary of all such Company employees, and the ramifications of such ratio on the labor relations of the Company. The Company determined that said ratios are reasonable taking into account the size, complexity and the nature of the Company and its operations and are not expected to have an adverse effect on the labor relations of the Company.

To the extent considered necessary or relevant and if information is timely available, terms of compensation of persons in similar positions in peer-group companies will be selected to provide an appropriate comparative model. Peer-group companies will be selected based on appropriate similarities taking into account a number of factors, which may include: market capitalization, type of industry, location of securities listing(s), level of revenue and/or other financial metrics, number of employees, geographical considerations, factors of relevance to the particular Office Holder's role and other factors that will be considered relevant for the comparison.

III. Compensation Components

The compensation package of Office Holders may consist of one or more of the following components:

(i) base cash compensation;

(ii) benefits and perquisites;

(iii) performance-based cash incentives and other cash compensation, including commissions, signing or other non-performance based cash bonuses;

(iv) equity-based compensation (such as options to purchase the Company's shares or other equity-based instruments, including restricted share units, restricted shares and share appreciation rights (collectively, "**Equity Awards**")); and

(v) retirement and termination of service arrangements.

The total compensation package and components thereof may vary between Office Holders, taking into account the factors described above. To reflect the Company's philosophy and Compensation Policy objectives, with respect to any Office Holder, the ratio between the fixed compensation components and the variable compensation components with respect to any given year on an annual basis shall not be more than 1:10.

At any time and from time to time, the Board of Directors has the right to reduce any variable compensation granted or to be granted to an Office Holder due to such circumstances as determined by the Board of Directors in its sole discretion.

A non-material change in the compensation package of an Executive Officer who is subordinate to the Chief Executive Officer may be approved solely by the Chief Executive Officer, provided that the terms of compensation of the Executive Officer will continue to meet the requirements of this Compensation Policy. For these purposes, a change of up to 10% of the annual fixed compensation of such Executive Officer shall be deemed to be non-material.

A. ***Base Cash Compensation (Base Salary)***

The monthly gross base salary of any one of the Company's Executive Officers or Executive Directors shall not exceed NIS 250,000, linked to the Israeli Consumer Price Index commencing on the date of adoption of this Compensation Policy ("**CPI**") and updated to reflect periodic increases, but not decreases, in the CPI. The monthly gross base salary may be increased from time to time, subject to the aforesaid limit. The monthly gross base salary may be increased from time to time, subject to the aforesaid limit.

B. ***Benefits and Perquisites***

Certain benefits and perquisites for the Company's Executive Officers and Executive Directors are provided in order to comply with legal requirements, while others serve as an additional component of the compensation packages offered to Executive Officers and Executive Directors.

Benefits and perquisites, including those that are required or facilitated under local laws or are customary in a relevant jurisdiction, may include, among others, the following:

- contributions to pension funds and/or similar schemes, such as manager's insurance programs;
- contributions to education funds;
- car allowance or company car and related benefits, including tolls;
- reimbursement of travel expenses and stipends;
- gross-up mechanisms;

- annual vacation days and the ability to carry-over unused vacation days;
- sick leave and the ability to carry-over unused sick days, subject to applicable laws;
- redemption of unused vacation days for cash;
- recuperation pay;
- health insurance and medical expenses, including dental;
- disability insurance;
- relocation expenses;
- housing and/or related expenses;
- meal programs;
- cellular/smartphone expenses;
- laptop computer, tablets, accessories and communication expenses (including internet connection at the Executive Officer or Executive Director's residence);
- reimbursement of out-of-pocket expenses;
- membership fees in professional associations;
- subscriptions to business newspapers, trade magazines and other relevant literature.

Certain benefits and perquisites may be subject to Company policies, as in effect from time to time. At the request of an Executive Officer or Executive Director, the Company may, in its discretion, agree to make cash payments to him or her in lieu of amounts payable to pension funds or similar schemes, to education funds or in respect of other social benefits payable to institutions which are in excess of the maximum allowance for which a tax exemption or tax benefits are available.

C. ***Performance-Based Cash Incentives and Other Cash Compensation***

1. Annual Cash Bonus

a. <u>General</u>

Cash bonuses may be paid to Executive Officers and Executive Directors on an annual basis (the "**Annual Cash Bonus**"). The Annual Cash Bonus may be based, in whole or in part, on

measurable criteria and/or non-measurable criteria and such criteria may be assigned a weight.

If predefined objectives or targets are set, then at least 50% of a particular pre-set objective or target must be achieved in order for the bonus amount attributable thereto to be payable. Upon surpassing 100% of a pre-set objective or target, then up to 200% of the bonus amount attributable thereto may be paid.

The amount of the Annual Cash Bonus for Executive Officers and Executive Directors that is based on non-measurable criteria shall not exceed three monthly gross base salaries, taking into account the limitations on discretionary bonuses contained in Part III, Section C.(2).

Measurable criteria may be derived from various metrics, which may include, among others:

- revenue;
- gross profit;
- operating profit;
- EBITDA;
- adjusted EBITDA;

- free cash flow;
- net profit;
- net profit before tax;
- sales targets;
- productivity indices and growth in the volume of activity, including initiation of new markets and/or products;
- cost savings;
- efficiency metrics;
- customer satisfaction;
- regulatory and legal targets;
- success in raising capital;
- success of strategic transaction; and
- budget and/or workplan objectives.

To the extent relevant, extraordinary or non-recurring events, such as write-offs, acquisitions, divestures, negative effects on financial results due to changes in applicable financial reporting standards or law and organizational changes shall be excluded.

The maximum Annual Cash Bonus for an Executive Officer or an Executive Director shall not exceed the sum of 24 monthly gross salaries and other fixed compensation benefits and perquisites in respect of the relevant year to which the Annual Cash Bonus relates.

b. Eligibility

To be eligible for an Annual Cash Bonus, the Executive Officer or Executive Director must be actively employed by the Company or one of its subsidiaries during the relevant year to which the Annual Cash Bonus relates. In addition, other conditions may apply in order for an Executive Officer or Executive Director to be eligible to receive an Annual Cash Bonus, such as being employed for a minimum period of time during the relevant year or through a certain date.

2. Discretionary Bonus

Executive Officers and Executive Directors may receive a discretionary cash bonus, as may be recommended and approved by the Compensation Committee and by the Board of Directors and, if required by applicable law, the shareholders, of up to three monthly gross base salaries (the "**Discretionary Bonus**") in any given year. A Discretionary Bonus may be given for any reason, including, without limitation, for special contributions, achievements, assignments and efforts, all as shall be determined by the Company. A Discretionary Bonus may not be subject to the achievement of predefined objectives or targets and may be in addition to the Annual Cash Bonus.

In addition, Executive Officers and Executive Directors may be awarded a fixed one-time cash payment upon recruitment or promotion, which shall not exceed six monthly gross base salaries.

3. Commissions

The Chief Executive Officer may decide to grant Executive Officers who are providing services of sales and/or business development with commissions, as shall be determined in their employment agreement (the "**Sales Office Holders**" and "**Commissions**," respectively). The purpose of granting Commissions to Sales Office Holders is to incentivize Sales Office Holders to increase the amount of sales of the Company's products and services. For each Sales Office Holder, the aggregate amount of Commissions paid to him or her on an annual basis shall not exceed 5% from direct contribution to (i) the Company's annual revenue from sales in that year, or (ii) cash proceeds received from sales in that year. The Commissions may be paid on either a monthly, quarterly or annual basis.

The Commissions paid to a Sales Office Holder shall be separate from the Annual Cash Bonus and/or Discretionary Bonus that may be given to him or her, or may be in lieu of the Annual Bonus and/or Discretionary Bonus.

D. *Equity-Based Compensation*

Executive Officers and Executive Directors may be granted Equity Awards. The value of Equity Awards at the date of grant, for each year during the vesting period, as calculated using accepted valuation methods (such as, but not limited to, the Black-Scholes formula) will not exceed the sum of 36 monthly gross salaries (or 60 monthly gross salaries in the case of the Chief Executive Officer) and other fixed compensation benefits and perquisites in respect of the calendar year in which the Equity Awards are granted, including, but not limited to, pension payments, managers' insurance, education fund payments, vehicle and travel allowances and recuperation pay).

The Equity Awards shall vest over a minimum period of one year from the date of grant. Equity Awards may thereafter vest on a monthly, quarterly, semi-annual or an annual basis, or based on other time periods (in each case, which may not be necessarily equal).

The exercise price of Equity Awards (if applicable) shall not be less than the average closing price of the Company's ordinary shares on the principal trading market on which such shares are listed over the 30 trading days ending on the trading day immediately prior to the date of grant. The terms of Equity Awards may provide, among other things, that they may be exercised on a net exercise or "cashless" basis.

The exercise period of Equity Awards, if applicable, shall not exceed 10 years from the date of grant. Notwithstanding the foregoing, the Company may extend the period of time for which Equity Awards are to remain exercisable and may make provisions with respect to the acceleration of the vesting period of all or a portion of the Equity Awards, including, without limitation, (i) in connection with a corporate transaction involving a change of control of the Company or which results in the Company not being the surviving entity and, (ii) in connection with an Executive Officer or an Executive Director's retirement and/or termination (other than in connection with a corporate transaction), whether or not at the behest of the Company or the Executive Officer or Executive Director, provided that, in the case of clause (ii), the Executive Officer or Executive Director has served the Company in any capacity for at least 12 months.

The terms and conditions of Equity Awards shall be governed by the Company's existing or future equity incentive plans and applicable law.

E. ***Termination of Service Arrangements***

When determining the terms of retirement and/or termination benefits for Executive Officers or Executive Directors, the following considerations will be taken into account, among other things:

- the amount of time the Executive Officer or Executive Director spent with the Company (the "**Time of Service**");
- the terms of his or her compensation during the Time of Service;
- the Company's performance during the Time of Service;
- the Executive Officer or the Executive Director's contribution to the achievement of the Company's goals and attainment of profits; and
- the circumstances surrounding the Executive Officer or the Executive Director's departure.

The retirement and/or termination benefits, whether or not retirement and/or termination were at the behest of the Company or the Executive Officer or Executive Director, may include, among others, the following benefits:

- Advance notice – Advance notice upon termination of employment for a certain period of time, which, in any case, shall not exceed a term of 12 months (the "**Advance Notice Period**"). During the Advance Notice Period, the Executive Officer or the Executive Director may be entitled to all components of his or her compensation, including continued vesting of Equity Awards. The Company will generally be entitled to discontinue the Executive Officer or the Executive Director's employment and will be obliged, unless agreed to otherwise with the relevant Executive Officer or Executive Director, to make payment of the amounts he or she would be entitled to in respect of all components of his or her compensation through the end of the Advance Notice Period. In the event of a change of control in the Company, the Company may, at its discretion, decide to extend the Advance Notice Period as provided above to up to twice the original Advance Notice Period of the Executive Officer or the Executive Director. In addition to advance notice, the Company may agree to pay an Executive Officer or Executive Director a special separation payment in the event such Executive Officer or Executive Director's employment is terminated within 12 months after a change of control in the Company. Such special separation payment shall not exceed 12 monthly gross base salaries of such Executive Officer or Executive Director.
- Severance pay – Under Israeli law, employees are generally entitled to severance pay equal to 100% of the employee's gross base salary for the last month of employment multiplied by the number of years, including parts of years, of his or her employment with the Company (including notice periods). As such, retirement and/or termination benefits may include the transfer (including under Section 14 of the Israeli Severance Pay Law, 5723-1963) to the Executive Officer or the Executive Director of the amounts contributed to pension funds and/or similar schemes such as manager's insurance programs, on account of severance pay, as well as additional amounts, such that contributions on account of severance pay reflect the Executive Officer or the Executive Director's most recent monthly gross base salary.
- Contribution to funds – The transfer to the Executive Officer or the Executive Director of the amounts contributed to pension funds and/or similar schemes, such as manager's insurance programs and to education funds.
- Transition period – Executive Officers or Executive Directors may be entitled to a transition period of up to six months during which time he or she may continue to receive his or her compensation, however, he or she shall not be granted new Equity Awards during such period and shall not be entitled to an Annual Cash Bonus in respect of the transition period. The transition period may be taken into account for the purposes of vesting of Equity Awards.
- Retirement Bonus – Executive Officers or Executive Directors may be given a cash bonus of up to 12 monthly gross base salaries upon retirement.

IV. Non-Executive Directors

Non-Executive Directors may be entitled to:

- an annual cash retainer not to exceed the greater of U.S. $75,000 for the Chairperson of the Board of Directors, or U.S. $50,000 for other Non-Executive Directors;
- an additional annual payment for membership of the audit committee of U.S. $10,000, or U.S. $20,000 for the Chairperson of the audit committee;
- an additional annual payment for membership of the compensation committee of U.S. $7,500, or U.S. $15,000 for the Chairperson of the compensation committee;
- reimbursement of expenses, including travel expenses; and
- participate in the Company's equity incentive plans or to otherwise receive Equity Awards.

The value of Equity Awards to Non-Executive Directors at the date of grant, for each year during the vesting period, as calculated using accepted valuation methods (such as, but not limited to, the Black-Scholes formula), will not exceed U.S. $200,000.

The Equity Awards shall vest over a minimum period of one year from the grant date. Equity Awards may thereafter vest on a monthly, quarterly, semi-annual or an annual basis, or based on other time periods (in each case, which may not be necessarily equal).

The exercise period of Equity Awards, if applicable, shall not exceed 10 years from the date of grant. Notwithstanding the foregoing, the Company may extend the period of time for which Equity Awards are to remain exercisable and may make provisions with respect to the acceleration of the vesting period of Equity Awards, including, without limitation, (i) in connection with a corporate transaction involving a change of control of the Company or which results in the Company not being the surviving entity and, (ii) in connection with his or her retirement and/or termination (other than in connection with a corporate transaction), whether or not at the behest of the Company or the Non-Executive Director, provided that, in the case of clause (ii), the Non-Executive Director has served the Company in any capacity for at least 12 months.

Notwithstanding the above, with respect to the first grant of Equity Awards to a Non-Executive Director in connection with him or her first becoming a member of the Board of Directors (whether appointed by the Board of Directors or elected by the Company's shareholders), the minimum vesting period and the maximum exercise period of such Equity Awards may be measured commencing from the date that the Non-Executive Director first became a member of the Board of Directors (the "**Commencement of Service Date**"). The exercise price of Equity Awards (if applicable) shall not be less than the average closing price of the Company's ordinary shares on the principal trading market on which such shares are listed over the 30 trading days ending on the trading day immediately prior to the date of grant or the Commencement of Service Date. The terms of Equity Awards may provide, among other things,

that they may be exercised on a net exercise or "cashless" basis.

Notwithstanding the above in this Part IV, the Company's external directors (if any) and any other Non-Executive Directors who are subject to the provisions of the Companies Regulations (Rules on Remuneration and Expenses of External Directors), 5760-2000 (the "**Remuneration of External Directors Regulations**"), as amended by the Companies Regulations (Relief for Public Companies Traded on Stock Exchange Outside of Israel), 5760-2000, as such regulations may be amended from time to time, may be entitled to remuneration and refund of expenses in accordance therewith (including if they qualify as an Expert Director (as such term is defined in the Remuneration of External Directors Regulations)), including the relative compensation method specified in sections 8A and 8B of the Remuneration of External Directors Regulations, and including in amounts that exceed the amounts set forth above.

V. Compensation Recovery ("Clawback")

The Company has adopted a Clawback Policy as attached hereto asExhibit A, intended to comply with Section 10D of the U.S. Securities Exchange Act of 1934, as amended, and clawback-related listing standards of the Nasdaq Stock Market, and shall apply to Covered Persons (as defined in the Clawback Policy) to the extent required by such section and listing standards, and is intended to comply with the requirements of the Companies Law, and shall apply to Office Holders, to the extent required by the Companies Law.

VI. Exculpation, Indemnification and Insurance

In addition, Office Holders may be entitled:

- to exculpation from liability to the fullest extent permitted by applicable law;
- to indemnification for liabilities and expenses to the fullest extent permitted by applicable law;
- to be covered by "Directors and Officers Insurance" at the expense of the Company, which may include "run-off" provisions for a period of up to 10 years after the termination of their services with the Company, or the resolution of existing claims, the later of the two. Directors and Officers Insurance may also include Public Offering of Securities Insurance (POSI) or similar insurance.

Directors and Officers Insurance (which may also cover the liability of any controlling shareholders of the Company and their relatives (within the meanings of such terms in the Companies Law), in their capacity as Office Holders) shall be subject to the following limitations, which shall be determined by the compensation committee of the Company, and, if required by applicable law, the Board of Directors:

- the annual premium to be paid by the Company as well as the amount of the deductible for the Company shall be on market terms as of the date of the issuance of the policy;
- the cost of the policy to the Company shall not have a material impact on the Company's profitability, assets or liabilities; and
- the maximum total coverage (for each claim and in the aggregate) under the policy for Directors and Officers Insurance shall not exceed the greater of U.S. $60 million or 50% of the Company's shareholders equity based on the most recent financial statements of the Company at the time of approval thereof by the compensation committee of the Company.

Exhibit A

GAUZY LTD. CLAWBACK POLICY

1. Purpose

This Clawback Policy (this "**Clawback Policy**") describes the circumstances under which Covered Persons of Gauzy Ltd. and any of its direct or indirect subsidiaries (the "**Company**") will be required to repay or return Erroneously-Awarded Compensation to the Company. This Clawback Policy and any terms used in this Clawback Policy shall be construed in accordance with the clawback-related listing standards proposed by the Nasdaq Stock Market (the "**Nasdaq Clawback Rules**"), as well as, to the extent applicable to Office Holders pursuant to the provisions of the Israeli Companies Law, 5759-1999 (the "**Companies Law**"), the Companies Law.

2. Definitions

For purposes of this Clawback Policy, the following capitalized terms shall have the meaning set forth below:

a) "**Accounting Restatement**" shall mean an accounting restatement (i) due to the material noncompliance of the Company with any financial reporting requirement under applicable securities laws, including any required accounting restatement to correct an error in previously issued financial restatements that is material to the previously issued financial statements (a ""**Big R**" **Restatement**"), or (ii) that corrects an error that is not material to previously issued financial statements, but would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a ""**little r**" **restatement**"). Notwithstanding the foregoing, none of the following changes to the Company's financial statements represent error corrections and shall not be deemed an Accounting Restatement: (a) retrospective application of a change in accounting principle; (b) retrospective revision to reportable segment information due to a change in the structure of the Company's internal organization; (c) retrospective reclassification due to a discontinued operation; (d) retrospective application of a change in reporting entity, such as from a reorganization of entities under common control; and (e) retrospective revision for share splits, reverse share splits, share dividends or other changes in capital structure.

b) "**Board**" shall mean the Board of Directors of the Company.

c) "**Clawback-Eligible Incentive Compensation**" shall mean, in connection with an Accounting Restatement, any Incentive-Based Compensation Received by a Covered Person (regardless of whether such Covered Person was serving at the time that Erroneously-Awarded Compensation is required to be repaid) (i) after beginning service as a Covered Person; (ii) while the Company has a class of securities listed on a U.S. national securities exchange or U.S. national securities association; and (iii) during the Clawback Period.

d) "**Clawback Period**" shall mean, with respect to any Accounting Restatement, the three completed fiscal years immediately preceding the Restatement Date and any transition period (that results from a change in the Company's fiscal year) of less than nine months within or immediately following those three completed fiscal years.

e) "**Clawback Policy**" shall mean this Clawback Policy, as the same may be amended and/or restated from time to time.

f) "**Committee**" shall mean the Compensation Committee of the Board.

g) "**Covered Person**" shall mean any person who is, or was at any time, during the Clawback Period, an Executive Officer of the Company. For the avoidance of doubt, Covered Person may include a former Executive Officer that left the Company, retired or transitioned to an employee role (including after serving as an Executive Officer in an interim capacity) during the Clawback Period, and this Clawback Policy applies regardless of whether the Covered Person was at fault for an accounting error or other action that resulted in, or contributed to, the Accounting Restatement.

h) "**Erroneously-Awarded Compensation**" shall mean the amount of Clawback-Eligible Incentive Compensation that exceeds the amount of Incentive-Based Compensation that otherwise would have been Received had it been determined based on the restated amounts. This amount must be computed without regard to any taxes paid.

i) "**Executive Officer**" shall mean (i) the Company's chief financial officer, president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, (ii) or any other person (including an officer of the Company's parent(s) or subsidiaries) who performs similar policy-making functions for the Company, or (iii) an "Office Holder" within the meaning set forth in the Companies Law. For the sake of clarity, at a minimum, all persons who would be executive officers pursuant to Rule 401(b) under Regulation S-K shall be deemed "Executive Officers."

j) "**Financial Reporting Measures**" shall mean measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and all other measures that are derived wholly or in part from such measures, including, without limitation, measures that are "non-GAAP financial measures" for purposes of Exchange Act Regulation G and Item 10(e) of Regulation S-K, as well other measures, metrics and ratios that are not non- GAAP measures. For purposes of this Clawback Policy, Financial Reporting Measures shall include share price and total shareholder return (and any measures that are derived wholly or in part from share price or total shareholder return). A Financial Reporting Measure need not be presented within the Company's financial statements or included in a Company filing with the SEC.

k) "**Incentive-Based Compensation**" shall have the meaning set forth in section 3 below.

l) "**Nasdaq**" shall mean the Nasdaq Stock Market.

m) "**Received**" shall mean Incentive-Based Compensation received, or deemed to be received, in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation is attained, even if the payment or grant occurs after the fiscal period.

n) "**Repayment Agreement**" shall have the meaning set forth in section 5 below.

o) "**Restatement Date**" shall mean the earlier of (i) the date the Board, a committee of the Board or the officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement; or (ii) the date that a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement.

p) "**SAR**s" shall mean stock appreciation rights.

q) "**SEC**" shall mean the U.S. Securities and Exchange Commission.

3. Incentive-Based Compensation

"**Incentive-Based Compensation**" shall mean any compensation that is granted, earned or vested wholly or in part upon the attainment of a Financial Reporting Measure.

For purposes of this Clawback Policy, specific examples of Incentive-Based Compensation include, but are not limited to:

- Non-equity incentive plan awards that are earned based, wholly or in part, based on satisfaction of a Financial Reporting Measure performance goal;
- Bonuses paid from a "bonus pool," the size of which is determined, wholly or in part, based on satisfaction of a Financial Reporting Measure performance goal;
- Other cash awards based on satisfaction of a Financial Reporting Measure performance goal;
- Restricted shares, restricted share units, performance share units, share options and SARs that are granted or become vested, wholly or in part, on satisfaction of a Financial Reporting Measure performance goal; and
- Proceeds received upon the sale of shares acquired through an incentive plan that were granted or vested based, wholly or in part, on satisfaction of a Financial Reporting Measure performance goal.

For purposes of this Clawback Policy, Incentive-Based Compensation excludes:

- Any base salaries (except with respect to any salary increases earned, wholly or in part, based on satisfaction of a Financial Reporting Measure performance goal);
- Bonuses paid solely at the discretion of the Committee or Board that are not paid from a "bonus pool" that is determined by satisfying a Financial Reporting Measure performance goal;
- Bonuses paid solely upon satisfying one or more subjective standards and/or completion of a specified employment period;
- Non-equity incentive plan awards earned solely upon satisfying one or more strategic measures or operational measures; and
- Equity awards that vest solely based on the passage of time and/or satisfaction of one or more non-Financial Reporting Measures.

4. Determination and Calculation of Erroneously-Awarded Compensation

In the event of an Accounting Restatement, the Committee or Board shall promptly determine the amount of any Erroneously-Awarded Compensation for each Executive Officer in connection with such Accounting Restatement and shall promptly thereafter provide each Executive Officer with a written notice containing the amount of Erroneously-Awarded Compensation and a demand for repayment or return, as applicable.

a) **Cash Awards**. With respect to cash awards, the Erroneously-Awarded Compensation is the difference between the amount of the cash award (whether payable as a lump sum or over time) that was Received and the amount that should have been received applying the restated Financial Reporting Measure.

b) **Cash Awards Paid From Bonus Pools**. With respect to cash awards paid from bonus pools, the Erroneously-Awarded Compensation is the pro rata portion of any deficiency that results from the aggregate bonus pool that is reduced based on applying the restated Financial Reporting Measure.

c) **Equity Awards**. With respect to equity awards, if the shares, options or SARs are still held at the time of recovery, the Erroneously-Awarded Compensation is the number of such securities Received in excess of the number that should have been received after applying the restated Financial Reporting Measure (or the value in excess of that number). If the options or SARs have been exercised, but the underlying shares have not been sold, the Erroneously-Awarded Compensation is the number of shares underlying the excess options or SARs (or the value thereof). If the underlying shares have already been sold, then the Committee or Board shall determine the amount which most reasonably estimates the Erroneously-Awarded Compensation.

d) **Compensation Based on Share Price or Total Shareholder Return**. For Incentive-Based Compensation based on (or derived from) share price or total shareholder return, where the amount of Erroneously-Awarded Compensation is not subject to mathematical recalculation directly from the information in the applicable Accounting Restatement, the amount shall be determined by the Committee or Board based on a reasonable estimate of the effect of the Accounting Restatement on the share price or total shareholder return upon which the Incentive-Based Compensation was Received (in which case, the Committee and Board, as applicable, shall maintain documentation of such determination of that reasonable estimate and provide such documentation to Nasdaq in accordance with applicable listing standards).

5. Recovery of Erroneously-Awarded Compensation

Once the Committee and/or Board, as applicable, have determined the amount of Erroneously-Awarded Compensation recoverable from the applicable Covered Person, the Committee and Board shall take all necessary actions to recover the Erroneously-Awarded Compensation. Unless otherwise determined by the Committee and/or Board, as applicable,, the Committee and Board shall pursue the recovery of Erroneously-Awarded Compensation in accordance with the below:

a) **Cash Awards**. With respect to cash awards, the Committee and Board shall either (i) require the Covered Person to repay the Erroneously-Awarded Compensation in a lump sum in cash (or such property as the Committee and/or Board agree to accept with a value equal to such Erroneously-Awarded Compensation) reasonably promptly following the Restatement Date or (ii) if approved by the Committee and/or Board, as applicable,, offer to enter into a Repayment Agreement. If the Covered Person accepts such offer and signs the Repayment Agreement within a reasonable time as determined by the Committee and/or Board, the Company shall countersign such Repayment Agreement.

b) **Unvested Equity Awards**. With respect to those equity awards that have not yet vested, the Committee and Board shall take all necessary action to cancel, or otherwise cause to be forfeited, the awards in the amount of the Erroneously-Awarded Compensation.

c) **Vested Equity Awards**. With respect to those equity awards that have vested and the underlying shares have not been sold, the Committee and Board shall take all necessary action to cause the Covered Person to deliver and surrender the underlying shares in the amount of the Erroneously-Awarded Compensation.

In the event that the Covered Person has sold the underlying shares, the Committee and Board shall either (i) require the Covered Person to repay the Erroneously-Awarded Compensation in a lump sum in cash (or such property as the Committee and/or Board, agree to accept with a value equal to such Erroneously-Awarded Compensation) reasonably promptly following the Restatement Date or (ii) if approved by the Committee and/or Board, as applicable,, offer to enter into a Repayment Agreement. If the Covered Person accepts such offer and signs the Repayment Agreement within a reasonable time as determined by the Committee and/or Board, the Company shall countersign such Repayment Agreement.

d) **Repayment Agreement**. "**Repayment Agreement**" shall mean an agreement (in a form reasonable acceptable to the Committee and/or Board) with the Covered Person for the repayment of the Erroneously-Awarded Compensation as promptly as possible without unreasonable economic hardship to the Covered Person.

e) **Effect of Non-Repayment**. To the extent that a Covered Person fails to repay all Erroneously-Awarded Compensation to the Company when due (as determined in accordance with this Clawback Policy), the Company shall take all actions reasonable and appropriate to recover such Erroneously-Awarded Compensation from the applicable Covered Person. Such action may include legal actions, offsetting against future compensation, and other remedies as deemed necessary by the Board.

The Committee and Board shall have broad discretion to determine the appropriate means of recovery of Erroneously-Awarded Compensation based on all applicable facts and circumstances and taking into account the time value of money and the cost to shareholders of delaying recovery. However, in no event may the Company accept an amount that is less than the amount of Erroneously-Awarded Compensation in satisfaction of a Covered Person's obligations hereunder.

6. Discretionary Recovery

Notwithstanding anything herein to the contrary, the Company shall not be required to take action to recover Erroneously-Awarded Compensation if any one of the following conditions are met and the Committee and/or Board determine that recovery would be impracticable:

a) The direct expenses paid to a third party to assist in enforcing this Clawback Policy against a Covered Person would exceed the amount to be recovered, after the Company has made a reasonable attempt to recover the applicable Erroneously-Awarded Compensation, documented such attempts and provided such documentation to Nasdaq;

b) Recovery would violate home country law where that law was adopted prior to November 28, 2022, provided that, before determining that it would be impracticable to recover any amount of Erroneously-Awarded Compensation based on violation of home country law, the Company has obtained an opinion of home country counsel, acceptable to Nasdaq, that recovery would result in such a violation and a copy of the opinion is provided to Nasdaq; or

c) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder or applicable tax laws of another jurisdiction, including Israel.

7. Reporting and Disclosure Requirements

The Company shall file all disclosures with respect to this Clawback Policy in accordance with the requirements of applicable U.S. federal securities laws, including disclosures required by the applicable filings required to be made with the SEC.

8. Effective Date

This Clawback Policy shall apply to any Incentive-Based Compensation Received on or after the listing of the Company's shares on Nasdaq.

9. No Indemnification

The Company shall not indemnify any Covered Person against the loss of Erroneously-Awarded Compensation and shall not pay, or reimburse any Covered Persons for premiums, for any insurance policy to fund such Covered Person's potential recovery obligations.

10. Administration

The Committee and the Board have the discretion to administer this Clawback Policy, subject to applicable law. The Committee and the Board shall, subject to the provisions of this Clawback Policy, make such determinations and interpretations and take such actions as deems necessary, appropriate or advisable.

11. Amendment

The Committee and thereafter, the Board may amend this Clawback Policy from time to time as and when the Committee and the Board determine that it is legally required by the Companies Law, any U.S. federal securities laws, SEC rule or the rules of any national securities exchange or national securities association on which the Company's securities are then listed. Notwithstanding anything in this section 11 to the contrary, no amendment or termination of this Clawback Policy shall be effective if such amendment or termination would (after taking into account any actions taken by the Company contemporaneously with such amendment or termination) cause the Company to violate the Companies Law, any U.S. federal securities laws, SEC rule, or the rules of any national securities exchange or national securities association on which the Company's securities are then listed.

12. Other Recoupment Rights; No Additional Payments

This Clawback Policy will be applied to the fullest extent of applicable law. The adoption of this Clawback Policy does not derogate from any recoupment rights the Company may have under any employment agreement, equity award agreement or any other agreement entered into. Any right of recoupment under this Clawback Policy is in addition to, and not in lieu of, any other rights under applicable law, regulation or rule or pursuant to any similar policy in any employment agreement, equity plan, equity award agreement or similar arrangement and any other legal remedies available to the Company. However, this Clawback Policy shall not provide for recovery of Incentive-Based Compensation that the Company has already recovered pursuant to Section 304 of the Sarbanes-Oxley Act or other recovery obligations.

13. Successors

This Clawback Policy shall be binding and enforceable against all Covered Persons and their beneficiaries, heirs, executors, administrators or other legal representatives.

Exhibit 10.4

FACILITY AGREEMENT

Executed on 19.1.2022

By and Among

GAUZY LTD.
Company number 514335967
14 Hatehiya Street, Tel Aviv Israel 6816914
(the "Company")

On the first part;

THE LENDERS
As provided in Annex A of this Agreement

On the second part;

and

Klirmark Capital 3 Ltd.
and
Davidson & W Technology Growth Cayman LP
(collectively, the "Facility Agent")

On the third part;

Whereas the Company has requested that the Lenders make available to the Company the Facility, to be utilized by drawdown of up to two term loans, in the amounts and under such terms and conditions set forth in this Agreement, and the Lenders agree to make the Facility available to the Company; and

Whereas the parties have agreed to enter into this Agreement in accordance with the terms and conditions set forth hereunder;

Therefore it has been declared, stipulated and agreed among the parties as follows:

1. **General; interpretation**

In this Agreement, unless the subject matter requires otherwise:

1.1. The preamble of this Agreement and its appendices constitute an integral part thereof.

1.2. Reference to this Agreement or to any specific provision in this Agreement or to any other document, shall be construed as reference to this Agreement, said specific provision or document, as in effect at such time and from time to time and as amended, changed, endorsed or supplemented by addendum, from time to time in accordance with the provisions thereof or, as applicable, with the consent of the relevant parties thereto.

1.3. This Agreement and all other Finance Documents are complementary to each other, their provisions shall apply cumulatively and in aggregate. However, and in any event of contradiction between any provision set forth in this Agreement (without appendices, attachments and references), with respect to certain matters explicitly included in this Agreement and in the other Finance Documents, the provision set forth in this Agreement shall prevail.

1.4. Section captions are meant for convenience of reference only and shall not be used for purpose of interpreting this Agreement.

1.5. Any change and/or amendment and/or addendum to this Agreement, including appendices, shall be null and void, unless made in writing and executed by all parties hereto, unless explicitly set forth otherwise in this Agreement.

1.6. Any notice that the Company is required to provide to any of the Lenders and/or to the Facility Agent, shall be delivered in writing to the Facility Agent for itself and for the Lenders.

1.7. In the event a party is entitled to perform any action according to this Agreement, it is not obligated to do so.

1.8. The terms "month", "quarter" and "year" shall be counted in accordance with the Gregorian calendar, unless explicitly set forth otherwise.

1.9. In this Agreement singular form shall include plural, and vice versa; and masculine form shall include feminine, and vice versa.

1.10. Any use of the words "including" or "inclusive" or "other", is meant to add and not subtract.

1.11. Wherever the consent of the Finance Parties is required pursuant to this Agreement, the meaning is advance written consent. Each Finance Party shall be entitled to stipulate its consent under such conditions it deems appropriate according to its reasonable discretion.

1.12. Unless expressly provided hereunder, any Payment Date which occurs on a date which is not a Business Day, shall be postponed to the first Business Day occurring immediately thereafter.

1.13. "USD", "US$" and "Dollars" shall mean United States of America Dollars.

2. **Definitions**

The following definitions shall serve for purpose of this Agreement (without derogating from the definitions set forth in the body of the Agreement):

2.1. "**Affiliate**" – with respect to any person, any other person controlling it, controlled by it, or controlled by the same person.

2.2. "**Agency Fees**" - the fees payable to the Facility Agent pursuant to Section20.2 hereof.

2.3. "**Availability Period**" – the period commencing on the Effective Date and terminating on the lapse of 100 days thereafter.

2.4. "**Auditors**" – the Company's and the Target's auditors, and if replaced – an accounting firm similar in size to the current auditors of the Company, or any other firm agreed to by the Facility Agent.

2.5. "**Available Amount**"- in respect of the Facility, the amount available for the Company to be drawn down on account of the Facility according the provisions of section 3 to this Agreement, after deducting amounts of actual drawdowns extended on account of the Facility, and amounts already requested to be drawn down on account of the Facility and which have not yet been extended, until the relevant date.

2.6. "**Business Day**" – any day except Friday, Saturday, national holidays, two days of Rosh Hashanah, Yom Kippur and Yom Kippur eve, the first and eighth day of Sukkoth, Purim, the first and seventh day of Passover, Independence Day, Pentecost and the ninth day of the Hebrew month "Av", and except for any other day determined by the Commissioner of Banks at the Bank of Israel as a day banks in Israel are closed, provided that in relation to any date for the payment of US Dollars, such day shall also be a day on which banks are open for general business in New York.

2.7. "**Change of Control**" – an event where a person, who gains control over the Company through ownership of (i) more than 50% of the voting rights or the issued and outstanding equity interests of the Company, or (ii) the right to appoint a majority of the board of directors.

2.8. "**Collateral**" – the pledges and undertakings set forth in Section 10 of this Agreement, created and/or to be created and/or (as applicable) granted and/or to be granted pursuant to the Collateral Documents in favor of the Finance Parties in connection with the Secured Obligations.

2.9. "**Collateral Documents**" – each of the following: (a) all documents listed in Section 10.1 of this Agreement for creating the Collateral, and any other document according to which any Collateral shall be created for securing the Secured Obligations according to the provisions of this Agreement; and (b) all approvals and consents presented or delivered or that must be presented or delivered in accordance with or pursuant to any of the Collateral Documents.

2.10. "**Companies Law**" – the Companies Law, 5759-1999, and all regulations, orders and rules issued thereunder.

2.11. "**Control**" – as such term (and its inflections) is defined in the Securities Law.

2.12. "**Default**" – any event or circumstance which, following the lapse of any cure period or the delivery of notice, would be an Event of Default.

2.13. "**Default Interest**" – as such term is defined in Section 8 hereof.

2.14. "**Discharge Date"** - the date on which the Secured Obligations have been fully and irrevocably paid and discharged to the Finance Parties.

2.15. "**Distribution**" – as such term is defined in the Companies Law as well as payment in connection with any Shareholder Loan, convertible loan notes issued by the Company, management fees and any other payment, in cash or otherwise, made or due to be made by virtue of holding any Means of Control in a corporation or for other reasons to an Interested Party that holds means of control in such corporation or to a relative of such Interested Party or to any Affiliate thereof, in each case other than (i) salary and other compensation payable in the ordinary course to employees of or consultants to the Company or any Subsidiary, (ii) directors remuneration, and (iii) D&O insurance and indemnity.

2.16. "**Dividends**" – as such term (and its inflections) is defined in the Companies Law.

2.17. "**Effective Date**" – January 20, 2022, after the fulfillment of the last of the conditions precedent set forth in Section 4 of this Agreement (other than such conditions precedent which are expressed to be fulfilled on the Effective Date).

2.18. "**Escrow Account**" – the escrow account maintained by the Escrow Agent with Bank Leumi Le-Israel Ltd., Branch No. 800; Foreign Currency Account Number: 515627/00, IBAN Number: IL760108000000051562700; NIS Account Number: 515627/80, IBAN Number: IL500108000000051562780; Account Name: MEITAV DASH TRADE LTD.

2.19. "**Escrow Agent**" – Altshuler Shaham Trusts Ltd.

2.20. "**Event of Default**" or "**Default Event**" – any of the events and circumstances set forth in Section 13 of this Agreement.

2.21. "**Expiration Date**" – as defined in section 4.2 hereunder.

2.22. "**Exit Event**" – any of these:

(A) Any transaction, or a series of transactions, where at least 25% of the outstanding share capital of the Company is being transferred;

(B) Any transaction, or a series of transactions, where the Company transfers all, or substantially all, of its business, assets and operations to any person, other than such a transfer made to any corporation which is controlled by the Company;

(C) Any transaction, or a series of transactions, that result in a Change of Control of the Company; or

(D) An offering of shares of the Company to the public or listing of Company shares for trade on any stock exchange or regulated market (including any merger with SPAC).

2.23. "**Facility**" – a credit facility in the aggregate amount of USD 30,000,000 (thirty million US Dollars), to be provided to the Company by the Lenders in accordance with the provisions hereof.

2.24. "**Final Settlement Date**" – December 31, 2025.

2.25. "**Finance Documents**" – each of the following: (a) this Agreement; (b) the Collateral Documents; and (c) any other agreement or document prepared or executed in accordance with any of the aforementioned documents or in connection thereto and which is designated by the Finance Parties as a "financing document".

2.26. "**Finance Parties**" – the Lenders and the Facility Agent.

2.27. "**Financial Entity**" – each of the following: banking corporations, as defined in the Banking (Licensing) Law, 5741-1981 (including any law to supersede it), corporations subject to the Control of Financial Services (Provident Funds) Law, 5765-2005, insurers as defined in the Control of Financial Services (Insurance) Law, 5741-1981 (including any law to supersede it), partnerships engaged in financing where the partners include any of the aforementioned corporations, auxiliary corporations, as defined in the Banking (Licensing) Law, 5741-1981, or any corporation similar to any of the aforementioned incorporated outside of Israel and supervised by the competent authority in the country of its incorporation, as well as holders of debentures issued in Israel or outside of Israel and corporations subject to the Joint Investment Trust Law, 5754-1994 (including any law to supersede it).

2.28. "**Financial Indebtedness**" – any Obligation for or in respect of: (a) moneys borrowed; (b) any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent; (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, loan stock or any similar instrument; (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease; (e) receivables sold or discounted, whether or not sold an a recourse or non-recourse basis; (f) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition, having the commercial effect of borrowing, other than advances received by the Company from customers where such advances do not bear any interest and where the supply of goods or services by the Company is to be delivered within 180 days after receipt of such advance; (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction – that amount) shall be taken into account); (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by any Financial Entity; and (i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above.

2.29. "**Financial Statements**" – financial statements, including, *inter alia*, balance sheet, profit and loss statement, cash flow, report on changes to capital and the notes attached to them, prepared in accordance with Israeli or US GAAP, audited or reviewed, by the Auditors.

2.30. "**Financial Transferee**" – a Financial Entity, except for those considered Financial Entities solely on account of holding debentures.

2.31. "**Holding**" – as such term (and its inflections) is defined in the Securities Law.

2.32. "**Interested Party**" – as such term is defined in the Securities Law.

2.33. "**Interest Payment Date**" - the last day of any Interest Period.

2.34. "**Interest Period**" – consecutive periods of three months each, the first of which commencing on the Effective Date, provided that: (a) the first interest period shall end on March 31, 2022; (b) the last interest period shall end on the Final Settlement Date; (c) every subsequent interest period shall commence upon the end of the preceding interest period; (d) interest periods that had it not been for this Paragraph (d) would end on a day that is not a Business Day, shall end on the first Business Day occurring immediately after such date.

2.35. "**Interest Rate**" – 10.5%.

2.36. "**Law**" – including any enactment, statute, treaty, ordinance, regulations, order, official directive, administrative directive, demand or guideline of any governmental, fiscal, monitory or regulatory body, or of any other authority, in Israel or abroad. Any reference in this Agreement to any law shall be interpreted as reference to such law as amended or reenacted, or as may be amended or reenacted, from time to time.

2.37. "**Lender**" and collectively "**Lenders**" – any of the Lenders set forth in Annex A, and any transferee or assignee thereof in accordance with the provisions of this Agreement and except for whomever ceased being a party to this Agreement (according to its conditions).

2.38. "**License**" – the license granted to the Company by the Licensor, attached as **Annex 2.38** hereto.

2.39. "**Licensor**" – Research Frontiers Incorporated.

2.40. "**Loan**" – any amount drawn down under the Facility.

2.41. "**Loan Currency**" – US Dollars.

2.42. "**Loan Obligations**" – the obligations comprising the Secured Obligations other than obligations in respect of the additional consideration payable pursuant to Section21.

2.43. "**Loan Principal Balance**" – with respect to any time, the outstanding principal amount of all Loans, after deducting principal amounts that have been repaid according to the provisions of this Agreement until such time.

2.44. "**Material Adverse Effect**" – any event or circumstance, which has, or may reasonably have, a material adverse effect on one or more of the following: (a) the financial condition of the Company and/or any of the other Obligors causing a material adverse effect, on the ability of the Company or other Obligors to perform and fulfill their financial undertakings and obligations pursuant to the Finance Documents; or (b) the validity of this Agreement and/or any of the Collateral Documents, the ability to enforce them or any of the rights of the Finance Parties thereunder.

2.45. "**Means of Control**" - as such term is defined in the Securities Law.

2.46. "**Obligation**" – any obligation (whether as principal debtor, whether as guarantor and whether as guarantor whose obligation is deemed as an obligation of the principal debtor) for payment or settlement of any amount, whether such obligation is existing or prospective, and whether such obligation is absolute or contingent.

2.47. "**Obligor**" – the Company, the Target and any person that provided and/or shall provide Collateral or guarantee according to the Finance Documents for securing the Secured Obligations pursuant to the Finance Documents.

2.48. "**Officer**" – as such term (and inflections) is defined in the Companies Law (respectively for any other corporation), including every board member and/or manager and/or corresponding position in the Company.

2.49. "**Payment Date**" – any Principal Payment Date and Interest Payment Date.

2.50. "**Payoff Credit Facilities**" – the credit facilities and loans made available to the Company by Mizrahi-Tefahot Bank Ltd. as specified the Payoff Letter.

2.51. "**Payoff Letter**" – the letter of intent delivered to the Company by Mizrahi-Tefahot Bank Ltd. dated January 17, 2022.

2.52. "**Personal Interest**" – as such term (and inflections) is defined in the Companies Law.

2.53. "**Pledges**" – mortgage, pledge, charge (whether fixed or floating), assignment by way of charge, or any other collateral, securing the obligation of any person or conferring preference in payment of any person's obligations.

2.54. "**Preferred Share D**" – the shares in the share capital of the Company issued by the Company in Series D Equity Round.

2.55. "**Principal Payment Date**" –any date on which any amount is payable to the Lenders hereunder on account of the principal of the Loans.

2.56. "**Relative**" – as such term (and inflections) is defined in the Companies Law.

2.57. "**Secured Obligations**" – all Obligations of the Company towards the Finance Parties pursuant to this Agreement and all other Finance Documents, including principal, interest of any kind, fees, payments and commissions due to the Finance Parties, amounts of the additional consideration payable pursuant to Section 21, exchange rates, and including for payment of expenses and reasonable payments incurred by the Finance Parties in connection with or for protection of, or for maintaining or enforcing their rights and all in accordance with the Finance Documents.

2.58. "**Securities Law**" – the Securities Law, 5728-1968, and all regulations, orders and rules issued thereunder.

2.59. "**Series D Equity Round**" – equity raise by the Company, in an amount of at least USD 30,000,000, against issuance by the Company of Series D Preferred Shares (as defined in the Articles of Association of the Company).

2.60. "**Shareholder Loan**" – any amount extended by a shareholder (or its relative or an Affiliate of either of them) in any company and/or partner (or its relative or an Affiliate of either of them) of any partnership, or any other Interested Party, in any way and manner, and where the lender has rights to be repaid from such corporation (whether the principal amount or whether together with linkage differentials and/or interest), whether in the present or future – and not as a residual right following liquidation, and including any loans advanced to the Company pursuant to any convertible notes or other similar instruments.

2.61. "**Structural Change**" – (a) merger or split (as such terms are defined in Part V 2 to the Income Tax Ordinance (New Version) or in the Companies Law; (b) transfer of assets in exchange for means of control, according to the aforementioned Part V 2; (c) settlement and/or arrangement in accordance with Sections 350 and 351 of the Companies Law, save for purpose of technical changes in the Company's share capital; and/or (d) any corresponding or similar provision according to any other law.

2.62. "**Subsidiary**" – any incorporated person which the Company controls, whether directly or indirectly, including, from the Effective Date onwards, the Target Group.

2.63. "**Target**" – Vision Lite, *société par actions simplifiée,* incorporated under the laws of France.

2.64. "**Target Acquisition Agreement**" – the agreement dated February 7, 2021 pursuant to which the Company is to acquire the entire outstanding share capital of the Target and shall hold 100% of any Means of Control in the Target, attached as **Annex 2.64** hereto, including the amendment thereof dated January 16, 2022.

2.65. "**Target Closing Payment**" – the entire consideration payable at the closing of the acquisition transaction pursuant to the terms of the Target Acquisition Agreement (other than escrow amounts and earnout amounts that may be payable by the Company pursuant to the terms of the Target Acquisition Agreement).

2.66. "**Target Discharge Obligations**" – Financial Indebtedness of the Target to be discharged in full by the Target from the proceeds of the Target Loan on the Effective Date, as set forth in **Schedule 2.65** hereto.

2.67. "**Target Group**" – the Target and any of the Subsidiaries of the Target, including the entities included in **Schedule 2.67** hereto.

2.68. "**Target Loan(s)**" – the existing loan extended to the Target by the Company, in a principal amount of €4,000,000, the loan to be extended by the Company to the Target, in the principal amount of up to €11,253,500, and any additional loan to be extended by the Company to the Target, all governed by the Target Loan Agreements.

2.69. "**Target Loan Agreements**" – the agreements entered into by the Company and the Target, in the form(s) attached as **Annex 2.69** hereto.

2.70. "**Target Security**" – the security delivered by the Target to the Company as collateral for the Target Loans, including pledge of all of its assets and operations, and the holdings of the Target in any other member of the Target Group.

2.71. "**Taxes**" – any taxes, levies, tolls and other mandatory payments, of any kind or type, including taxes or mandatory payments due on income, capital gains or profits; VAT; withholding and withholding at source that constitute by nature, or payable on account of such taxes, tolls, levies or mandatory payments, including interests and fines in connection with such taxes, levies, tolls or mandatory payments, and all whether in Israel and/or abroad, and **Tax** and **Taxation** shall be interpreted accordingly.

2.72. "**Transaction**" – as such term (and inflections) is defined in the Companies Law.

2.73. "**VAT**" – value added tax including any similar tax to be imposed instead or in addition thereto from time to time.

3. **Facility and Loans**

3.1. On the Effective Date, subject to the fulfillment of all conditions precedent set forth in Section 4 of this Agreement, the Lenders shall make the Facility available to the Company, during the Availability Period.

3.2. The Company may make up to two drawdowns. The first Drawdown may be in an amount of up to USD 20,000,000, and the second drawdown up to the remaining Available Amount.

3.3. Loans

3.3.1. The drawdown of a Loan from the Facility shall be made pursuant to a written request delivered by the Company to the Facility Agent, executed by the Company and verified by an attorney (hereinafter: "**Loan Request**"). The Loan Request shall be irrevocable. The Loan Request shall stipulate: (1) the requested principal amount of the Loan (in compliance with the provisions of Section 3.2 hereof) (2) the actual date of extension, which must be a Business Day, and which with respect to the first Loan will be the Effective Date, and with respect to the second Loan be a date falling at least seven Business Days after the delivery of the Loan Request and within the Availability Period, and (3) that all the conditions required to entitle the Company to make the drawdown are fulfilled. The Loan Request shall include a written confirmation of the Company that (i) all representations, warranties and undertakings granted by the Company according to this Agreement or any of the Finance Documents remain true and correct in all material respects as of the date of the Loan Request; (ii) all conditions precedent required according to this Agreement for the extension of the Loan by the Lenders have been fulfilled; and (iii) there has not been any Event of Default nor any Default and no such is reasonably expected to occur immediately following the extension of the Loan.

3.3.2. The Loan Request for the first Loan shall specify that the proceeds of that Loan, net of the fees payable on the Effective Date deducted from that Loan, shall be applied as follows: (i) an amount equal to the amount of the Payoff Credit Facilities as specified in the Payoff Letter shall be transferred to the relevant account set forth in the Payoff Letter as full and final discharge of the Payoff Credit Facilities, (ii) the remainder of the Loan proceeds shall be transferred to the Escrow Account.

3.3.3. The Lenders shall extend to the Company the Loan in accordance with a Loan Request which is delivered in compliance with the provisions hereof by crediting the bank account, in the name of the Company, designated by the Company for such purpose, provided that on the date of delivery of the Loan Request and on the date of extension of the Loan, there is no Default or Event of Default outstanding and no Default is reasonably expected to occur immediately following the extension of the Loan to the Company.

3.4. Purpose

3.4.1. The Company shall apply all amounts borrowed by it under the Facility towards the general corporate purposes of the Company including for the provision of loans to the Target and for the Company's ongoing operations, development of its technology and sales operations.

3.4.2. No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

3.5. The Facility shall automatically expire and terminate at the end of the Availability Period and any remaining Available Amount shall be cancelled thereupon.

4. **Conditions Precedent for Extension of the Base Loan and for Making Available the Credit Facility**

4.1. The binding effect of the undertakings of the Lenders under this Agreement, including making available the Facility to the Company on the Effective Date and extension of Loans thereunder, is contingent on the fulfillment (or waiver by the Finance Parties), in aggregate, of all of the following conditions precedent:

4.1.1. The Company has successfully raised equity in the amount of not less than USD 30,000,000 in its Series D Equity Round and has received on or prior to the Effective Date the proceeds thereof in cash in an amount of at least USD 25,000,000 (of which an aggregate amount of USD 5,000,000 has been received by the Company prior to the date hereof), and, as conditions precedent for the extension of any Loan after the first Loan extended on the Effective Date, the following: (1) that the Company has received no later than the date of extension of the second Loan the remainder proceeds thereof in cash in an amount that complements the investment under the Series D Equity Round to USD 30,000,000; and (2) that the escrow amount payable pursuant to the Target Acquisition Agreement (and the amendment thereto dated – January 2022) has been paid, or alternatively is paid directly from the proceeds of such Loan.

4.1.2. No later than the Effective Date, the Company shall have delivered to the Facility Agent the Payoff Letter and the consent of the Israeli Innovation Authority for the pledge created pursuant to Section 10.1 hereof, in respect of such intellectual property that requires such consent, without conditions that are not acceptable to the Finance Parties.

4.1.3. On the Effective Date, the Facility Agent shall have received confirmation from the Escrow Agent that it has received into the Escrow Account and is maintaining therein the amount of US$ 20,000,000, together with the following confirmation to the benefit of the Finance Parties that it received irrevocable instructions that (1) until the lapse of five Business Days from the Effective Date (the "**Expiry Date**") no amounts from the Escrow Account shall be transferred by the Escrow Agent to any other person (including the Company and its investors), except pursuant to instructions the Company delivered to the Escrow Agent pursuant to Exhibit C of the Escrow Agreement, no later than the Expiry Date, and otherwise only with the prior written consent of the Facility Agent, and (2) if the Company has not delivered to it instructions pursuant to Exhibit C of the Escrow Agreement by the Expiry Date, to transfer to the Lenders the proceeds of the Loan received and available in the Escrow Account, in accordance with the proportions: 75% - to Klirmark Opportunity Fund III, Limited Partnership and 25% - to Davidson & W Technology Growth Cayman LP, subject to satisfaction of KYC, anti-money laundering and other legal or regulatory requirements requested by the Escrow Agent for purpose of the transfers to the Lenders.

4.1.4. On the Effective Date, the Company shall demonstrate that after consummating the actions and transactions to be carried out pursuant to the provisions of this Section 4.1, the Company shall maintain a net cash balance of at least US$4,750,000, pursuant to the fund flow chart attached as **Schedule 4.1.5** hereto.

4.1.5. The Facility Agent receives all documents, approvals and other documents set forth in this Section 4.1.4, in form and substance acceptable to the Finance Parties, duly executed by all parties thereto, no later than the Expiration Date:

4.1.5.1. Resolution of the Company's board of directors, approving the execution of this Agreement and acceptance of all undertakings thereunder, together with legal opinions of the Company's legal advisors as to the existence, corporate authority and capacity of the Company, and the valid and binding effect of the Collateral created pursuant to the Collateral Documents governed by Israeli law executed by the Company;

4.1.5.2. Confirmation from Gornitzky & Co. that they hold in escrow the debenture pursuant to Section 10.1, and that they will file the debenture with the Companies Register within two Business Days after the Effective Date, subject to receipt of the documents required from the Finance Parties for the submission and registration of the debenture;

4.1.5.3. From any person extending Shareholder Loans to the Company, as set forth in Section11.15 of this Agreement, consent to subordinate such Shareholders Loans to the Secured Obligations, whereby no payments shall be made on account of such Shareholder Loans until the full and complete repayment of the Loan Obligations and any outstanding amounts due for payment on account of the additional consideration pursuant to Section 21 hereof, unless expressly permitted hereunder.

4.1.6. All payments, commissions and expenses, that the Company is required to pay to or for the Finance Parties on and/or until the Effective Date have been paid in full. Without derogating from the Company's obligations to pay such amounts, the Lenders shall be entitled to offset such amounts of payments, commissions and expenses not yet paid from the amounts extended to the Company on the Effective Date (and such amounts shall be deemed to have been actually extended on the Effective Date for all intents and purposes).

4.1.7. No Event of Default nor any Default has occurred, and the Facility Agent shall receive on the Effective Date a written confirmation thereof in acceptable form and signed by the Company.

4.2. If any of the conditions precedent set forth in Section4.1 of the Agreement has not been fulfilled until the lapse of 30 days from the date hereof (the "**Expiration Date**"), without the Finance Parties waiving its fulfillment, then the obligations of the parties in connection with this Agreement and/or the Financing Documents shall expire and this Agreement shall be terminated (but without derogating from the Company's obligations to make payments which have become due and payable until and including the Expiration Date and which are not conditioned upon the occurrence of the Effective Date) without any of the parties having any further claim against the other. The Finance Parties shall be entitled, if requested by the Company, according to their exclusive and absolute discretion, and without the Company having any demand and/or claim and/or right to request so, to extend the Expiration Date to a later date, and in such event the date set forth in the notice delivered to the Company shall be deemed the Expiration Date for all intents and purposes.

4.3. The Company undertakes that it shall not instruct the Escrow Agent to transfer the amount payable by the Company pursuant to the Target Acquisition Agreement, until (1) the Facility Agents have received a written confirmation of its French legal counsel, McDermott Will & Emery AARPI, that all conditions precedent for the completion of the acquisition of the entire outstanding share capital of the Target required to be satisfied (or waived) by the terms of the Target Acquisition Agreement, other than the transfer of the Target Closing Payment, have been obtained or are held to be released upon such closing, and (2) Gornitzky & Co., counsel to the Company, shall have confirmed to the Facility Agent that they hold in escrow (1) the Framework Intragroup Loan Agreement and the Amended and Restated Loan Agreement (originally dated 27 July 2021, as amended and restated on or about the date hereof) between the Company and Target, (2) the Receivables Pledge Agreement and the Financial Securities Pledge Agreement by the Company in favour of the Finance Parties, (3) the Receivables Pledge Agreement, the Financial Securities Pledge Agreement, and the Bank Accounts Pledge Agreement by the Target in favour of the Company, and (4) the French law legal opinion referred to in Section 10.1 hereof (which shall be released to the Finance Parties immediately following the closing of the acquisition transaction pursuant to the Target Acquisition Agreement).

4.4. Until the Expiration Date, the Company undertakes not to conduct any negotiations, directly or indirectly or through any third party on its behalf, for purpose of obtaining sources of funding in any way, save for suppliers' credit and use of a banking credit line in the ordinary course of business as conducted prior to execution of this Agreement.

5. **Interest and Repayment of the Loans (Principal and Interest)**

5.1. **Interest and payment thereof**

5.1.1. The Loan Principal Balance shall bear interest at the fixed annual rate of the Interest Rate.

5.1.2. Interest amounts for each Interest Period shall be calculated on an annual basis, i.e. according to the amount of the Loan Principal Balance during the Interest Period, and according to the actual number of days included in the Interest Period (including the first and last days of the Interest Period), divided by 360 days, and shall be paid in arrears on each Interest Payment Date.

5.2. **Repayment of the Loan Principal**

5.2.1. The principal of the Loans shall be repaid in installments on each Principal Payment Date, the first of which shall occur on the sixth Interest Payment Date and until (and including) the Final Settlement Date.

5.2.2. The percentage of the principal of the Loans (combined together when the Facility is drawndown in full or is terminated at the end of the Availability Period and relating to the original principal amounts extended and not the outstanding balance of the principal amounts) payable on each Principal Payment Date shall be as set forth herein:

Principal Payment Date	Percentage of the Original Principal Amount of the Loans payable on such Principal Payment Date
First	9%
The nine (9) consecutive Principal Payment Dates thereafter	9%
The Final Settlement Date	Any amount remaining under the Loan Principal Balance.

5.3. **Effecting payments; Order of Allocation of Payments**

5.3.1. Payments to any of the Finance Parties shall be effected to the account of the relevant party, the details of which shall be provided to the Company from time to time, in writing and in advance.

5.3.2. Any payment that the Company is required to make according to the provisions of this Agreement shall be paid by it to the account of the Lenders and/or the Facility Agent on the date set for payment. Immediately following payment, the Company shall notify the relevant party and the Facility Agent with respect to effecting payment and shall present documented evidence of such. If payment is made after the designated date it shall be deemed to have been made on the following Business Day and the provisions of this Agreement shall apply to such delayed payment.

5.3.3. Any amount paid by the Company in accordance with the provisions of the Finance Documents, and/or received by way of realization or enforcement of any Collateral, shall be allocated and serve for settlement of payments in the following order (or any other order as determined by the Finance Parties): (a) first – for payment of actual expenses paid by the Finance Parties to third parties; (b) second – for payment of all fees and commissions due to the Finance Parties including the additional consideration, if payable; (c) third – for payment of interest and Default Interest (*pro rata* between them according to the amounts due to each of them at such time); (d) fourth – for repayment of any principal amount due on or before such date; and (e) fifth – for effecting prepayment on account of the Loan Principal Balance (including interest accrued thereon) and any prepayment fees applicable to such prepayment, and provided the Finance Parties shall be able to determine, with respect to any payment, a different order.

5.3.4. All payments to the Finance Parties shall be made in US Dollars, in freely available unrestricted cash.

6. **Prepayment**

6.1. The Company shall not have the right to prepay the Loans, except in accordance with the provisions of this Section6.

6.2. The Company may prepay the Loans, in whole or in part, provided that the Company delivers the Finance Parties a prior written notice of at least 30 days in advance. The Company's notice of prepayment shall be irrevocable and shall indicate the amount of the Loan Principal Balance to be prepaid (the "**Prepayment Amount**") and the date on which it shall effect prepayment of the Prepayment Amount (the "**Prepayment Date**"). On such Prepayment Date, the Company shall pay, in addition to the Prepayment Amount, the following compensation ("**Prepayment Compensation**"):

6.2.1. If the Prepayment Date is not later than the lapse of 12 months of the Effective Date: the entire amount of Interest and Agency Fees that would have become payable on the Prepayment Amount, if not prepaid, for the period starting on the Prepayment Date and until the lapse of 18 months following the Effective Date.

6.2.2. If the Prepayment Date is later than the lapse of 12 months of the Effective Date but not later than the lapse of 18 months of the Effective Date: the entire amount of Interest and Agency Fees that would have become payable on the Prepayment Amount, if not prepaid, for the period starting on the Prepayment Date and until the lapse of 6 months following the Prepayment Date.

6.2.3. If the Prepayment Date is later than the lapse of 18 months of the Effective Date but not later than the lapse of 24 months of the Effective Date: the entire amount of Interest and Agency Fees that would have become payable on the Prepayment Amount, if not prepaid, for the period starting on the Prepayment Date and until the lapse of 24 months following the Effective Date.

6.2.4. If the Prepayment Date is later than the lapse of 24 months of the Effective Date, no compensation is payable due to such prepayment.

6.3. In the event that at any time after execution of this Agreement, according to legal opinion received by the Finance Parties in writing from external legal counsel, changes have been introduced to certain provisions of law or that existing provisions of law apply to either of the parties to this Agreement, and as result thereof extending the Loans or maintaining them, in full or in part, becomes illegal for the Finance Parties, then the Company shall be obligated to prepay such part of the Loans at the rate required by the Finance Parties and on such dates determined by them in order to prevent illegality, provided such dates are the latest dates possible without breach of the relevant provisions of law. The Finance Parties shall notify the Company promptly after becoming aware of any such illegality which may require prepayment hereunder. In such event upon actual prepayment, no Prepayment Compensation shall be payable. In such event, the additional consideration pursuant to Section 21 shall be decreased by such percentage, equal to the amount of the prepayment required hereunder divided by US$30,000,000.

6.4. The Company must: (1) utilize amounts received by it as proceeds of any issuance of shares to the public ("IPO") or a merger transaction with SPAC or as indemnities or compensation pursuant to the terms and conditions of the Target Acquisition Agreement (other than such indemnities and compensations that do not amount, in the aggregate with any such previous amounts of indemnities and compensations, to US$1,000,000), unless amounts equal to the amounts of such indemnities or compensations are invested in or loaned to the Target Group, for prepayment; and (2) prepay the entire Loan Obligations upon any Change of Control, and in any such case the provisions of Section 6.2 hereof shall apply.

6.5. Effecting partial Prepayment shall decrease all principal payments pro rata.

6.6. For the avoidance of doubt, on the Prepayment Date the Company shall be required to settle all amounts of Interest accrued until such time that have not yet been paid for the Prepayment Amount.

7. **Default Interest**

Upon the occurrence of Default Event and so long as a Default Event remains uncured to the satisfaction of the Finance Parties, the Loan shall bear additional interest at a rate of 3% per annum (in addition to the Interest Rate) (the "**Default Interest**"). Default Interest shall accrue on a daily basis and shall be due and payable upon the lapse of each month.

8. **Taxes**

8.1. Unless the Company is required at any time according to applicable law to withhold tax at source from payments due to the Finance Parties pursuant to the Finance Documents, any amount that the Company shall owe to the Finance Parties pursuant to the provisions of this Agreement and/or the other Financing Documents, shall be paid to them net, without withholding and/or tax payment of any kind and/or type.

8.2. In the event any Obligor is required at any time in accordance with any laws of the any jurisdiction to withhold tax at source from any payments due to the Finance Parties, then the amount of the payment due from that Obligor shall be increased to an amount which (after the withholding of any amount) leaves an amount equal to the payment which would have been due if no such withholding had been required.

8.3. Upon payment of any kind or type by the Company to the Finance Parties or for them according to the Finance Documents, the Company shall pay all applicable VAT, if any (as applicable), on such payment, against a lawful tax invoice. For avoidance of doubt, all amounts and installments due to the Finance Parties pursuant to the Finance Documents are exclusive of VAT and VAT shall be added in accordance with applicable law.

9. **Reports, Information and Confirmations**

As of the Effective Date and until the Discharge Date, the Company hereby undertakes to deliver to the Facility Agent (on behalf of the Finance Parties):

9.1. Annual Financial Statements, on consolidated basis for the Company and all Subsidiaries, and on a stand-alone basis for the Company and its Subsidiaries (other than Target and its subsidiaries) and separately for the Target and its subsidiaries, audited by the Auditors in accordance with applicable GAAP, no later than on July 31 of the subsequent calendar year to which the aforementioned statements relate.

9.2. Quarterly Financial Statements, on consolidated basis for the Company and all Subsidiaries, and on a stand-alone basis for the Company and its Subsidiaries (other than Target and its subsidiaries) and separately for the Target, reviewed by the Auditors (in scope and format of review agreed with the Facility Agent), no later than the lapse of 90 days of the end of the quarter to which they relate.

9.3. Monthly financial statements, on consolidated basis, of the Company and of the Target, not reviewed or audited by the Auditors, no later than the end of the subsequent month to the month to which they relate, representing the bookings, revenue (by entity), cash position, balance of Financial Indebtedness, monthly total actual cash-burn and capex.

9.4. Together with the quarterly Financial Statements, quarterly order book of the Company and the Target.

9.5. Written confirmation from the Company's CFO (which shall be delivered together with the annual and quarterly Financial Statements required under in this Section 9), as to the compliance (or non-compliance) with all the covenants and undertakings pursuant to the Finance Documents and the non-existence (or existence) of any Default or Event of Default.

9.6. To deliver to the Facility Agent, as soon as practicable:

9.6.1. Written notice regarding any Default that the Company becomes aware of, with reasonable description of the details and steps taken or to be taken (if any) for curing such events or circumstances.

9.6.2. Written notice regarding any litigation, arbitration, administrative or regulatory proceedings against the Company or the Target in an amount in excess of US$50,000.

9.6.3. Per the request of the Facility Agent, any information in the Company's possession and relating to the financial or business condition of the Company and any of its Subsidiaries (including requests for clarifications or completion of any detail included in the Company's Financial Statements or in the Target's Financial Statements or in any other material delivered to the Finance Parties according to the Finance Documents with respect to the Company).

9.7. Wherever this Agreement stipulates performance of any action upon the absence of a Default or Event of Default, the Company shall deliver a declaration to the Facility Agent, per its request, certifying that no such event exists as of such date.

9.8. All Financial Statements and any other reports shall be prepared in English or in Hebrew, and, with respect to Financial Statements, in the format of the Financial Statements referred to in Section 11.13 hereof.

9.9. Observer

9.9.1. The Finance Parties shall have the right, from the Effective Date until the full settlement of all Loan Obligations, to appoint an observer to the board of directors of the Company. Such observer shall be entitled to participate in any and all meetings of the Company's board of directors (and any committee thereof) and to receive any information a member of the Company's board of directors is entitled to receive pursuant to any applicable law.

9.9.2. The Company shall bear and cover the reasonable costs of retainer of any such observer.

9.9.3. The right to appoint an observer shall not impose any liability on the Finance Parties in connection with managing the Company's business, and/or with the resolutions adopted by the Company's authorized organs, and/or in connection with the implications of the actions and resolutions of the Company and its authorized representatives, and all whether or not the observer was present at the meetings where resolutions were adopted, and even if the observer was involved in the discussion in any way, and shall not reduce the liability of the Company or any other Obligor towards the Finance Parties.

9.9.4. For avoidance of doubt it is clarified that the observer shall not be authorized to bind the Finance Parties and/or grant consent on their behalf, as such consent may be required according to any of the Finance Documents.

9.9.5. It is hereby clarified that the observer shall be subject to confidentiality obligations as an officer of the Company, and shall not be entitled to disclose to any person and/or body (except for the Finance Parties) confidential information regarding the Company and/or its assets (including corporations held by it) and/or make any use of the confidential information of the Company and/or exploit business opportunities of the Company, of which it becomes aware in the capacity of observer. As a condition to its appointment, the observer enter into a confidentiality agreement with the Company reflecting the provisions hereof.

10. **Collateral**

10.1. As security for the full settlement of the Secured Obligations fully and accurately and for the fulfillment of all undertakings of the Company pursuant to the Finance Documents, the Company shall provide as Collateral (A) First ranking fixed charge on the registered and unissued share capital of the Company and on the good-will of the Company, on the fixed assets of the Company as listed in **Schedule 10.1(FA)**, on its rights in and pursuant to the License, on the intellectual property of the Company as listed in **Schedule 10.1(IP)**, on any and all shares of the Target and of Gauzy GmbH and Gauzy USA Inc. that are directly owned by the Company, as well as all shares of the Licensor owned by the Company, any and all Shareholder Loans owed at any time by any Subsidiary to the Company, the rights of the Company pursuant to the Target Acquisition Agreement and the rights of the Company pursuant to the Target Loan Agreements (including the Company's interests in the Target Security); and (B) a floating charge, first ranking, on all assets, rights and property of the Company, currently existing and/or to be existing in the future, which are not subject to the fixed charge in subparagraph (A) hereof. The Collateral Document covering the fixed charge over the registered and unissued share capital of the Company shall specify that the Company shall not be limited from issuing any kind of equity security without any limitations and without the requiring the consent of the Finance Parties, provided always that such issuance is otherwise in compliance with the provisions of this Agreement and does not constitute a Change of Control, unless consented to by the Finance Parties. Upon the closing of the Target Acquisition Agreement, the Company and Target shall enter and execute the Target Loan Agreements, and the Company shall advance to the Target the Target Loan(s), shall receive the Target Security (provided that the Target Security may be perfected thereafter, in accordance with the provisions of the Target Loan Agreements), the Target shall discharge the Target Discharge Obligations, and the Company shall deliver to the Facility Agent a legal opinion of the counsel of the Company in respect of matters governed under French law, confirming that: (1) the Company has acquired the entire share capital of the Target and owns all Means of Control in the Target; (the Target Loan Agreement is valid, binding and enforceable; (3) the Target Security is valid, binding and enforceable (subject to perfection, if required) and (4) within 45 days following the Effective Date, confirm that the Target has acquired and owns all (100%) Means of Control in any other member of the Target Group incorporated under the laws of France.

10.2. All Collateral shall be created according to the Collateral Documents that shall be in the form agreed between the parties until the Effective Date (and as part of the conditions precedent set forth in this Agreement) or thereafter in accordance with this Agreement, and shall be perfected in accordance with the laws of the State of Israel, France, Germany and other relevant jurisdiction. As soon as possible but no later than 90 days after the Effective Date, the Company shall enter into a German law governed security agreement for the pledge of all of its shares in Gauzy GmbH, a US law governed security agreement for the pledge of all of its shares in Gauzy US Inc., its shares in the Licensor as well as its rights under the License, and into a French law governed security agreement for the pledge of all of its shares in Target, as well as the Target Acquisition Agreement and Target Loan Agreements. Perfection of the Collateral in any and all such relevant jurisdictions shall be completed within 90 days of the Effective Date, and the Company shall deliver to the Finance Parties such legal opinions confirming such perfection.

10.3. Collateral shall be created to the benefit of the Facility Agent as security trustee to the benefit of all Finance Parties.

10.4. Collaterals shall be independent of each other, and each of them may be exercised separately for any amount. In the event the Finance Parties are entitled to demand the immediate repayment of the Secured Obligations according to Section 13 hereunder, the Finance Parties shall be entitled to immediately exercise Collaterals, all or some, simultaneously or in sequence (independently of each other) according to the order determined by the Finance Parties in their exclusive and absolute discretion, and use the proceeds received for settling the balance of the Secured Obligations that are due and payable according to the Finance Documents (including due to the acceleration thereof pursuant to Section 13 hereof), and this without derogating from any other right and/or relief available to the Finance Parties by virtue of the provisions of this Agreement and/or the Collateral Documents and/or applicable law, and without the Finance Parties being obligated to first exercise any specific Collateral.

10.5. The Collateral shall remain in effect until the Facility Agent confirms in writing that the Loan Obligations have been settled in full, finally and accurately. The Finance Parties shall release and discharge all Collaterals and Pledges registered for their benefit promptly following the date on which the Loan Obligations have been fully and irrevocably paid and discharged to the Finance Parties.

10.6. Upon the occurrence of any Default Event, the Facility Agent shall be permitted to realize the Collateral by way of any legal proceedings available under law.

11. **Representations and Warranties of the Company**

The Company confirms that it is aware that the Finance Parties have entered into this Agreement and all other Finance Documents in complete reliance upon its representations set forth in this Section 11 hereunder. Without derogating and/or detracting from any declaration and/or representation and/or undertaking of the Company in this Agreement and/or other Finance Documents and/or in any other agreement and/or document delivered and/or to be delivered to the Finance Parties in connection with the Secured Obligations and/or the Collateral, the Company represents and undertakes towards the Finance Parties as follows:

11.1. The Company is a private company incorporated and registered in accordance with the laws of the State of Israel, and it is existing and in good standing.

11.2. The Company does not hold any Means of Control in other companies or corporations, in Israel or outside of it, other than as set forth in **Schedule 11.2** hereto, and, as of the Effective Date – the Target and indirectly, through the Target, each of the members of the Target Group.

11.3. The Company's registered share capital is NIS 4,000,000, divided into such number and classes of shares as set forth in **Schedule 11.3**. The issued and outstanding share capital of the Company is also as set forth in **Schedule 11.3**. The issued and paid-up share capital of the Company has been issued in accordance with applicable law and the Company's incorporation documents. No person has any right to receive any kind of Means of Control in the Company other than as set forth in Schedule 11.3. Without derogating from the foregoing, the Company has entered into binding agreements with investors prescribing for Preferred Shares D, in the aggregate investment amount of not less than US$30,000,000, which will be invested in the capital of the Company not later than as required under Section 4.1.1 hereof.

11.4. The Company's Articles of Association as at the date of this Agreement and the Effective Date and the documents regulating the conduct of the Company are attached hereto as **Schedule 11.4(a)**, **Schedule 11.4(b)** and **Schedule 11.4(c)**, and no change has occurred in them that is not specified in such Schedules. Save for such attached documents, no other document or agreement exist that arrange the conduct of the Company and/or the rights of its shareholders towards it.

11.5. The Company has all legal capacity, authority and rights to engage under the Finance Documents and to fulfill all provisions and conditions thereof.

11.6. The Company has obtained all consents, permits, licenses and approvals required by applicable law (including in accordance with its incorporation documents and the Companies Law), in connection with its execution and performance under the Finance Documents and, in addition, in connection with the consummation of the acquisition of the Target by the Company pursuant to the Target Acquisition Agreement, and the Company also represents and warrants that it has fulfilled all of its obligations and conditions in accordance with such consents, permits, licenses and approvals, which are in full force and effect (and no event has occurred that may constitute breach and/or impact their validity), and no other consents, permits and/or approvals are necessary under applicable law, in Israel or abroad, and/or under its incorporation documents, for purpose of implementing or consummating any of the actions or transactions required according to the Finance Documents, the Target Acquisition Agreement and/or to grant binding effect and enforceability to the legal results deriving from the Finance Documents.

11.7. Each of the Finance Documents constitutes a lawful, effective, valid, binding and enforceable obligation of the Company, according to their terms and conditions.

11.8. The entry of the Company into the Finance Documents, and fulfillment of the obligation contained in each of them: (a) does not contradict provisions of law applicable to the Company or the Target; (b) does not and shall not cause breach of any contract, document or undertaking of the Company or the Target; (c) does not and shall not constitute breach and/or deviation from any provision of the incorporation documents and/or resolutions of the authorized organs of the Company or of the Target; and (d) shall not cause imposing or exercising any Pledges on any asset or right of the Company and/or the Target.

11.9. Other than the fixed assets listed in Schedule 10.1(FA), the Company does not own any fixed assets of material value and such fixed assets are sufficient for the Company to conduct its business in the ordinary course of business.

11.10. The License is valid, binding and enforceable and the Company is not aware of any breach or non-compliance with the terms thereof. Other than the License and the other intellectual property listed in Schedule 10.1(IP), the Company does not own any intellectual property and such intellectual property is sufficient for the Company to conduct its business in the ordinary course of business. The terms and conditions of the License shall not be affected by the transactions contemplated hereunder, including if any of the Collateral is being enforced or realized, or in any event of Change of Control of the Company.

11.11. The Target Acquisition Agreement is valid, binding and enforceable. The Company is not aware of any breach or non-compliance with the terms of the Target Acquisitions Agreement.

11.12. No notification was received by the Company regarding breach of material agreements that constitute a Material Adverse Effect, the Company is not aware of any breach of any of its material agreements that constitutes a Material Adverse Effect, and the Company is not aware of any reason or circumstance that may constitute grounds for the termination or prejudice, or other flaw, relating to or affecting adversely its intellectual property. The Company is not aware of any such circumstances relating or affecting the Target or any of the members of the Target Group.

11.13. The audited Financial Statements of the Company for the period ending on December 31, 2020, the management reports of the Company for the nine months period ending on September 30, 2021, all attached as **Schedule 11.13** hereto, were prepared in accordance with applicable GAAP, consistently applied, and in accordance with the requirements of the law, and they adequately reflect the financial condition of the Company, its assets, debts and obligations for the periods in reference, on a consolidated basis. Since the date of such Financial Statements the Company has conducted and continues to conduct its business in the ordinary course, except as disclosed to the Finance Parties, and it is not aware of any event that has caused or may cause a Material Adverse Effect. Without derogating from the generality of the aforementioned in this Section, such Financial Statements adequately reflect the Company's obligations for employment relations between the Company and those employed by it, including provisions for paid vacation, severance pay, mandatory pension allocations and any other obligation that apply to employees, and the Company has no liability for termination of employment relations with any of the Interested Parties for which it has not made full and lawful provision and/or in the Company's Financial Statements.

11.14. The Company or any member of the Target Group has not entered into nor is it a party to any transaction with any Interested Party of the Company or Relative thereof, or with any corporation controlled by an Interested Party of the Company or Relative thereof, or with any Affiliate thereof, or any transaction in which any of the aforementioned has a personal interest, except as set forth in **Schedule 11.14** hereto.

11.15. The Company does not owe any amount of money in connection with any Shareholder Loans, except as set forth in **Schedule 11.15** hereto.

11.16. The Company does not owe any Financial Indebtedness, except as set forth in **Schedule 11.16a** hereto. As of the Effective Date, following completion of the extension of the first Loan on the Effective Date, the Financial Indebtedness of the Company shall be as set forth in **Schedule 12.5** hereto.

11.17. The corporate structure of the Target Group and the holdings in the shares or other Means of Control in any member of the Target Group are all as set forth in **Schedule 11.17** hereto.

11.18. The Target and any other member of the Target Group does not owe any Financial Indebtedness, except as set forth in **Schedule 11.18a** hereto. As of the Effective Date, after the discharge of the Target Discharge Obligations, the Financial Indebtedness of the Target Group shall be as set forth in **Schedule 11.18b** hereto.

11.19. Each of the Company and any member of the Target Group is conducting its business as required by all provisions of law and is in compliance with all statutes, regulations, licenses and orders applicable to it and that the noncompliance with which may constitute a Material Adverse Effect. No investigation was conducted and/or is being conducted against the Company or any member of the Target Group by any competent authority in Israel, France or in any other state and the Company is not aware of any intention or threat of initiating any such investigation. Without derogating from the generality of the aforementioned, the Company and each member of the Target Group is in compliance with all statutes, regulations and orders pertaining to its area of activity and that the noncompliance with which may constitute a Material Adverse Effect.

11.20. All assets of the Company and of the Target, and any other member of the Target Group, are free and clear of any Pledges, except as set forth in **Schedule 11.20** and other than the Collateral hereunder.

11.21. The Company and any other member of the Target Group has duly filed to the relevant tax authorities (in all applicable jurisdictions) the reports it is obligated to file according to applicable law, or has lawfully been granted extensions to file such reports, and has duly paid all taxes that is obligated to pay according to applicable law and that have become due for payment or has made adequate provision in connection therewith in its books.

11.22. The Company and the members of the Target Group have adequate insurance coverage for their activity, assets and business, from certified and reputable insurers, with coverage and insurance conditions that are no less than customary with other enterprises in their areas of activity.

11.23. There is no Default outstanding and not Default is reasonably likely to occur immediately following the extension of a Loan.

11.24. There are no legal proceedings or litigation before any court, regulator, government agency or arbitration, pending against the Company or the Target Group, or, to the best of the Company's knowledge, threatened against any of them that is reasonably likely to develop into legal proceedings, and which, in each case, is likely to have a Material Adverse Effect on the Company and/or the Target Group, their business, assets or property, or their ability to fulfill their obligations pursuant to the Finance Documents in full and on time, other than as described in the Financial Statements provided prior to the date hereof.

11.25. The Company is not a "defaulting company" as defined in Section 362A of the Companies Law.

11.26. The Company and Target Group members have valid business licenses for operating and conducting all of their business, as required by applicable law, except insofar as the absence of such licenses shall not cause, with reasonable probability, a material impact on the revenues of the Company, the members of the Target Group and/or their expenses.

11.27. That all the information provided to the Finance Parties and/or any person on their behalf (including counsel for the Finance Parties) in connection with the Company, the Target, the assets and/or business of any of them, is full and accurate information in all material respects as at the date it is delivered or expressed to be given, without omitting any detail that results in such information being untrue or misleading in any material respect. In addition, the Company does not have any information in connection with the Company and/or the Target that was not brought to the knowledge of the Finance Parties, which had it been brought to their attention would reasonably be expected to cause the Finance Parties to avoid providing credit to the Company in accordance with the conditions of this Agreement.

12. **Undertakings**

Until and including the date on which the Loan Obligations have been fully and irrevocably paid and discharged to the Finance Parties (unless otherwise provided herein), the Company irrevocably undertakes towards the Finance Parties and for their benefit, as follows:

12.1. The Company shall continue to maintain at all times such insurance coverage that it currently holds, or a similar coverage and shall bear all costs related to maintaining such insurance coverage.

12.2. The Company shall comply with the requirements set forth under law for preparing and filing Financial Statements in full and on time. The Company's Financial Statements that shall be delivered to the Finance Parties pursuant to this Agreement, shall be prepared in accordance with consistently applied applicable GAAP, and in accordance with the provisions of law, and shall adequately reflect the financial condition of the Company, as of the date of the Financial Statements, the results of its activity as of the date of the Financial Statements, and the changes in its financial condition.

12.3. Except for any Collateral created pursuant to the Collateral Documents, all assets of the Company shall be free and clear of any Pledges, other than (the following, "**Permitted Security**"):

12.3.1. A Pledge arising over any bank accounts or custody account held by the Company, the Target or any other member of the Target Group in the ordinary course of its banking arrangements with any bank or financial institution under the standard terms and conditions of such bank or financial institution, provided it only secures Financial Indebtedness permitted pursuant to the provisions of Section 12.5;

12.3.2. Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of custom duties that are promptly paid on or before the date they become due;

12.3.3. Liens for taxes, fees, assessments or other governmental charges or levies, either not yet due or being contested in good faith by appropriate proceedings; provided, that the Company (or the applicable Subsidiary) maintains adequate reserves therefor;

12.3.4. Liens securing claims or demands of materialmen, artisans, mechanics, carriers, warehousemen, landlords and other like persons arising in the ordinary course of business and imposed without action of such parties; provided, that the payment thereof is not overdue;

12.3.5. Liens on vehicles, equipment, computers or software constituting purchase money or in connection with capital leases, securing Financial Indebtedness permitted pursuant to the provisions of Section 12.5.

12.4. Except for the Target Security, all assets of the Target shall be free and clear of any Pledges, except for Permitted Security.

12.5. Other than the Secured Obligations, the Company and Target and any other member of the Target Group shall not have or incur any Financial Indebtedness, other than (the following, "**Permitted Indebtedness**"):

12.5.1. Shareholder Loans extended to the Company which are subordinated to the Secured Obligations (pursuant to subordination letters in the form delivered pursuant to Section 4.1.6.3 hereof) and Shareholder Loans owed at any time by any Subsidiary to the Company and pledged in favor of the Finance Parties under the Security Documents;

12.5.2. The Target Loans and Shareholder Loans owed at any time by any Subsidiary to the Company and pledged in favor of the Finance Parties under the Security Documents;

12.5.3. Financial Indebtedness existing on the Effective Date as specified in **Schedules 11.18b** and **12.5**;

12.5.4. Indebtedness of members of the Target Group (other than Target) under any capital lease or hire purchase contract for of vehicles, equipment, computers or software incurred in the ordinary course of business, provided that the aggregate capital value of all such items so leased under outstanding leases, together with indebtedness items of the Target Group counted under Section 12.5.6, does not exceed at any time EUR 750,000;

12.5.5. Indebtedness of members of the Target Group (other than Target) in respect of factoring, sale or discounting of receivables in an amount not exceed at any time EUR 4,000,000 (to be updated on a calendar quarterly basis, by multiplying such amount with a multiplier equal to the revenues of the Target Group in the immediately preceding quarter divided by the revenues of the Target Group in the quarter ending on 31.12.2021) but in any event not more than the lower of 65% of the revenues of the Target Group in the immediately preceding quarter and EUR 6,000,000;

12.5.6. bank credit facilities as may be required in the ordinary course of business of the Company or the Target or other members of the Target Group, in the aggregate amount not to exceed at any time for the Company, NIS 850,000, and for the Target Group (together with indebtedness items of the Target Group counted under Section 12.5.4), EUR 750,000.

12.6. The Company shall maintain at all times unrestricted cash balances of at least USD 1,500,000.

12.7. The Company shall not agree to amend, or to agree to the existence of any non-compliance with, the Target Acquisition Agreement or the License.

12.8. The Company shall not adopt any resolution for voluntary dissolution.

12.9. The Company shall not adopt any resolution for Structural Changes, and there shall be no change in the Company's principal area of business.

12.10. The Company and Target (directly or through any Subsidiary thereof) shall not be a party and shall not make any Transaction with an Interested Party of the Company or its Relative or with any corporation under the control of an Interested Party of the Company or its Relative or with an Affiliate of any Interested Party of the Company or its Relative or any Transaction in which any of the aforementioned has a personal interest except in accordance with agreements existing as of this date, as set forth in Schedule 11.14 to this Agreement, including transactions for employment of such entities by the Company or the Target and for sale or purchase of goods and services in the ordinary course of business and at arm's length.

12.11. The Company shall not be entitled to declare, pay, distribute or (as applicable) effect, or undertake to declare, pay, distribute or effect any Dividends and/or other Distribution (including management fees), and/or any payments (principal, interest or any other payment) on account of the Shareholder Loans, directly or indirectly, in cash, in kind or in any other manner.

12.12. The Company shall not amend its Articles of Association without the prior written consent of the Finance Parties, which shall not be unreasonably withheld.

12.13. The Company undertakes to procure additional funding for the Company, in an amount of US$10,000,000 for each of the years 2022 and 2023, either (i) against the issuance of equity securities of the Company, or (ii) from Shareholder Loans, SAFEs, convertible loans or other similar instruments, provided that the obligations of the Company under any such instrument are subordinated to the Secured Obligations (pursuant to subordination letters in the form delivered pursuant to Section 4.1.6.3 hereof or the form of unsecured subordinated debt agreed between the parties). For the avoidance of doubt, such additional funding is in addition to the US$30,000,000 amount raised as of the date hereof under the Series D Equity Round, even if amounts are received by the Company following the Effective Date.

13. **Acceleration and Demand for Immediate Repayment**

13.1. Upon the occurrence of any of the events specified in this Section hereunder (whether or not caused for reasons not under the control of the Company or any other person) and at any time thereafter so long as the Event of Default persists, the Finance Parties shall be entitled to accelerate and demand, by written notice to the Company, the immediate repayment (unless explicitly set forth otherwise) of the Loan Principal Balance (including accrued interest), all or part, and the other Secured Obligations (and, for the purpose hereof, the amount of the additional consideration that shall be accelerated and become due and payable upon acceleration shall be US$3,000,000), plus the Prepayment Compensation payable in accordance with the provisions of Section 6.2. In such event, the Company undertakes to pay to the Finance Parties, at the first demand of the Facility Agent, all amounts required to be repaid to the Finance Parties plus Default Interest, as of the date of the Facility Agent first demand and until the date of actual repayment. The Finance Parties shall not be required to provide notice to the Company regarding the occurrence or continuance of the Event of Default, and the Event of Default shall be deemed to have occurred according to its circumstances independently of any notice from the Finance Parties and/or any person on their behalf (unless explicitly set forth otherwise in this Section with respect to any of the Events of Default). The events are as follow:

13.1.1. Without derogating from the other provisions of Section 13.1 hereunder, if the Company breaches and/or defaults on any condition included in the Finance Documents, and such breach is not cured within 30 days of the date the Company becomes aware of the breach or within another period, if another cure period was set for the breach and/or should it transpire that any representation of the Company in the Finance Documents and/or any other declaration granted and/or to be granted by the Company to the Finance Parties, is false, misleading or incomplete or inaccurate (in a material manner), as of the date granted or as of the date the Company is deemed to repeat it.

13.1.2. In the event the Company is defaulting in payment of any amount it is obligated to pay according to the Finance Documents unless such breach cured within 5 days of the due Payment Date.

13.1.3. In the event the Company and\or Target adopts any resolution regarding Structural Changes, unless the prior written consent of the Finance Parties has been obtained.

13.1.4. In the event or series of events constituting a Material Adverse Effect.

13.1.5. If the Company ceases to own 100% of any Means of Control over the Target.

13.1.6. If the Company breaches the Target Acquisition Agreement, subject to any grace or cure period afforded by the terms of the Target Acquisition Agreement.

13.1.7. If the License is terminated, cancelled or expires.

13.1.8. If the Company or any member of the Target Group incur any Financial Indebtedness which is not permitted pursuant to the provisions of Section 12.5 hereof.

13.1.9. In the event this Agreement and/or any of the Collateral Documents ceases to be fully valid or ceases to be a lawful, valid, binding and enforceable obligation, provided that no alternative collateral was provided to the full satisfaction of the Finance Parties and further provided that if such event is able of cure – if it remains uncured by the lapse of 30 days.

13.1.10. In the event an attachment is imposed and/or similar execution proceedings are initiated on or against the property of the Company having value of at least US$50,000 (or the equivalent in any currency) and the attachment (if made by registration only) or the motion for imposing such attachment is not removed or cancelled within 30 days.

13.1.11. If the Company or the Target adopts a resolution for voluntary dissolution and/or a motion is filed against any of them for dissolution and/or a winding-up order is issued against any of them and/or if a motion is filed against them for the appointment of a temporary or permanent liquidator and/or if any of them is appointed a temporary or permanent liquidator or special administrator or trustee and/or if a motion for stay of proceedings is filed with respect to the Company and/or the Target and/or if a bankruptcy warning or motion to declare bankruptcy is filed against any of them, and/or a stay of proceeding order is granted (or similar proceeding in the framework of which a corporation or person is granted protection against its creditors, such as stay of proceedings); and/or if the Company or the Target convenes, without obtaining the advance written consent of the Finance Parties.

Notwithstanding the aforementioned above, in the event of a motion by any party which is not Affiliate of the Company to appoint any officer mentioned in this Section above and/or in the event of filing a motion for temporary dissolution and/or motion to appoint a temporary liquidator *ex-parte*, a cure period of 40 days shall be granted.

13.1.12. In the event a motion is filed for appointment of a receiver on the property of the Company and/or the Target or any part thereof and the motion is not cancelled or removed within 60 days of filing, and/or if a permanent and/or temporary receiver is appointed and/or if a receiving order is granted against such property of the Company and/or the Target.

13.1.13. If the Company fails to duly deliver to the Finance Parties the confirmations and/or Financial Statements and/or balance sheets and/or information it has undertaken to provide according to this Agreement and such breach is not cured within 30 days of the date set forth herein for the delivery thereof.

13.1.14. In the event (a) the Company and/or the Target ceases to pay its debts for a period exceeding thirty consecutive days; and/or (b) the Company or the Target commences negotiations with its creditors towards a general debt rescheduling or other similar general arrangement and/or makes a general assignment in favor of, or compromise arrangement with its creditors; and/or (c) if work or a significant part of it is suspended by the Company and/or the Target and/or if the Company or the Target ceases conducting its business for a period exceeding thirty consecutive days.

13.1.15. If the Company or the Target receives a demand to accelerate or pay any of its Financial Indebtedness.

13.1.16. If a Financial Entity becomes entitled to demand the acceleration of any Financial Indebtedness in an amount of at least US$500,000 (in the aggregate) owed to it by the Company or any of its Subsidiaries, unless the Borrower confirms that a waiver or settlement is being negotiated with such Financial Entity in good faith, and the terms of the waiver or settlement are shared with the Finance Parties and approved by the Finance Parties in their reasonable discretion.

13.1.17. If any part of the Collateral is not perfected within the time schedules required hereunder on the respective date.

13.1.18. If any Legal Proceedings are opened against the Company or any Subsidiary thereof (including the Target Group members), which, if resolved against the Company or its Subsidiary, would have a Material Adverse Effect, unless the Company demonstrates to the satisfaction of the Finance Parties that such Legal Proceedings are likely to be dismissed without Material Adverse Effect.

13.1.19. If any of the events or circumstances in Sections 13.1.10 to 13.1.15 occur in respect of any member of the Target Group, or any other Subsidiary of the Company.

13.1.20. If any of the Collateral to be provided pursuant to Section 10 hereof is not provided or is not perfected as required herein or if any Collateral Document which is to be delivered in respect of such Collateral is not delivered, all by the time designated therefor herein or as otherwise agreed by the Finance Parties.

13.1.21. If by the lapse of 45 days following the Effective Date, the Target does not provide the Facility Agent with a legal opinion confirming that the Target owns, directly or indirectly, 100% of any means of control of any of the members of the Target Group (other than the Target itself).

13.1.22. If the transaction pursuant to the Target Acquisition Agreement is not completed and the documents held by Gornitzky & Co. pursuant to Section 4.3 hereof are not released to the Finance Parties by the lapse of five Business Days (or such later date confirmed in writing by the Finance Parties) following the Effective Date, provided that in such event the Secured Obligations shall be in the total amount of US$24,000,000 (including on the account of the additional consideration).

13.2. For avoidance of doubt, in any event of acceleration and demand of immediate repayment, the Finance Parties shall be entitled, without derogating from their rights according to the Finance Documents or law to any other relief or remedy (including their right to demand prevention and/or cure of the default), to exercise all lawful means they deem appropriate for collecting any amount due to them according to this Agreement on account of the Secured Obligations.

13.3. Upon the occurrence of any Event of Default with respect to which a cure period is explicitly stated (hereinafter: "**Cure Period**"), the Finance Parties shall be entitled to accelerate and demand the immediate repayment of the Loan Principal Balance and the other Secured Obligations only if the Event of Default was not cured to their satisfaction until the lapse of the Cure Period (in this Section, "**First Default Event**"). However, if the Finance Parties reasonably believe their rights according to this Agreement may be substantially prejudiced as result of postponing actions during the Cure Period or if another Event of Default occurred, or if such event also falls within the bounds of another Event of Default, with respect to which no Cure Period was set (or for which a shorter Cure Period was set), then the Finance Parties are hereby conferred the right to terminate the Cure Period for the First Default Event (or shorten it, as applicable) and the Company shall not have any claim or argument in connection thereto towards the Lenders.

13.4. The Company shall indemnify the Finance Parties against all liabilities imposed on them by third parties as result of exercising the provisions of this Section above, except if caused by gross negligence or willful misconduct of the Finance Parties or anyone acting on their behalf.

14. **Waivers**

14.1. Without derogating from other provisions of this Agreement, any waiver, extension, discount, silence, omission or failure to act (hereinafter: "**Waiver**") on the part of the Finance Parties with respect to non-fulfillment or partial fulfillment or incorrect fulfillment with any of the Company's undertakings according to any of the Finance Document, shall not be deemed a waiver on their part of any right but rather as limited consent to the special circumstances under which it was granted.

14.2. Without derogating from the other provisions of this Agreement, any change to the undertakings of any of the parties to this Agreement requires obtaining the other party's advance written consent. Any other consent, whether oral or by avoidance or failure to act and/or in any other way that is not in writing, shall not be deemed consent.

15. **Relationship between the Finance Parties**

15.1. All obligations of any of the Finance Parties according to this Agreement and other Finance Documents towards the Company and/or any other person, are made severally and not jointly and without mutual surety.

15.2. The entitlement of the Finance Parties is several, in accordance with the provisions of the Financing Documents.

15.3. The Finance Parties may enter into any agreement or other arrangement among themselves, and amend such agreements and other arrangements, without the consent of the Company. However, notwithstanding any such agreement or arrangement, the Company may rely on notices received by it and delivered by the Facility Agent as delivered on behalf of the Finance Parties.

16. **Right to Transfer; Disclosure of Information**

16.1. Each of the Finance Parties (hereinafter: "**Transferor**") shall be entitled at any time, according to its sole discretion and without being required to obtain the consent of the Company, to transfer its rights under the Finance Documents (hereinafter: the "**Aforementioned Rights**"), in full or in part, to any transferee that is a Financial Entity. The Company shall be notified in writing with respect to any such transfer (save for participations), immediately after the consummation of such Transfer. In addition, following the acceleration of the Secured Obligations or any part thereof and demand of their immediate prepayment, each of the Finance Parties shall be entitled to transfer the Aforementioned Rights to any other person without the consent of the Company.

Any person receiving such transfer shall be referred to in this Agreement as "**Transferee**".

"**Transfer**" means – sale and/or assignment of the Aforementioned Rights, in full or in part, directly as well as by way of selling participations in the Aforementioned Rights or in any other way the Transferee deems suitable. Transfer can be to one or more Transferees, at the same time or from time to time.

16.2. As of the date of providing notice to the Company (hereinafter: "**Effective Date of Transfer**") the Transferee shall be deemed to substitute the Transferor for all intents and purposes, including with respect to transferring payments in connection with settlement of the Secured Obligations that shall apply as of the Effective Date of Transfer, and such Transferee shall become a party to the Finance Documents, with the same capacity as the Transferor.

16.3. Each of the Finance Parties shall be entitled, at any time, to disclose Information (as defined hereunder) in connection with Transfer of the Aforementioned Rights to any person qualified to be a Transferee, and with which such Transferor is conducting negotiations for purpose of Transfer (hereinafter: "**Potential Transferee**"). In addition any Finance Party shall be entitled to disclose information to advisors on its behalf and/or on behalf of any Potential Transferee as well as to companies engaged in credit rating, for purpose of rating the rights (hereinafter: "**Advisors**"). Disclosure of information shall be subject to execution by the Potential Transferee and the Advisors of confidentiality undertakings in acceptable form which shall also be for the benefit of the Company itself.

"**Information**" means – including any information currently in the possession of the Finance Parties and/or that shall be in the possession of any of them in the future, including information delivered to the Finance Parties by the Company or any of the Finance Parties, which such Finance Parties in their discretion deem as necessary or

desirable to disclose in connection with a Transfer as set forth above, including information regarding the Facility and Loans extended according to this Agreement, information regarding Collateral if any for securing the Secured Obligations, as well as information about the Company, the Target, their activity and assets.

16.4. The Company hereby undertakes: (a) to cooperate reasonably, for purpose of Transfer of the Aforementioned Rights, as set forth in this Section above, including to deliver any document and/or sign any document reasonably required by the Transferor for such purpose; and (b) to provide all information, data and documents in its possession and reasonably required for purpose of conducting examinations by the Transferee.

16.5. The Company shall not be entitled to transfer to any other person any right or obligation with respect to the Secured Obligations and/or to any of the Finance Documents, without obtaining the advance written consent of the Finance Parties.

17. **Disclosing Information between the Finance Parties and with Authorities**

17.1. Each of the Finance Parties shall be entitled to disclose to the other Finance Parties details regarding the Company and the Collateral and any other information relating to the Secured Obligations.

17.2. Each of the Finance Parties may disclose to any government agency or to any person acting by virtue of their authority, or to any other competent authority to which such party is subject to, the details of the Company, or pertaining to the Secured Obligations and/or the Financing Documents, whether according to the request of such competent authorities in accordance with legal obligation that applies to such person, as such person deems fit for purpose of complying with the provisions of law.

18. **Confidentiality Undertaking of the Finance Parties**

Each of the Finance Parties hereby represents and warrants solely with respect to itself that it, its officers, employees, organs (including investment committees and their members) and advisors (specified in this Section hereunder) shall maintain in confidence any information disclosed to them by the Company according to this Agreement and shall not make any use thereof except in accordance with the provisions of this Agreement and the other Finance Documents. The aforementioned undertaking shall not apply (a) to information that is in the possession of any of the Finance Parties or any person on their behalf prior to disclosure by the Company; (b) information that has reached any of them or any person on their behalf from an entity other than the Company, not in breach of confidentiality undertakings; (c) information that is or has become publicly available at any time not as result of disclosure of the information by the Finance Parties or any person on their behalf in breach of the provisions of this Agreement or any confidentiality obligation; (d) information with respect to which there is a legal obligation to disclose or information that is required to be disclosed according to the instructions of a competent authority; (e) disclosure of information that is necessary and relevant in the framework of legal proceedings pertaining to the parties to this Agreement as well as in preparation for such proceedings. The confidentiality undertaking according to this Section shall expire entirely upon the lapse of two years from the date of full settlement of the Secured Obligations.

It is hereby clarified that the provisions of this Section above (i) shall not limit the Finance Parties from disclosing information to officers, employees, organs (including investment committees), shareholders, partners (general or limited) and advisors (attorneys, accountants, appraisers and other professionals) provided (a) each of them is aware of the confidentiality obligations that apply to the Finance Parties according to this Agreement, and (b) the Finance Parties shall be liable for breach of such undertakings by any of the aforementioned representatives; and (ii) shall not diminish from the provisions of Sections 16 and 17 hereof.

19. **Notices**

Every notice sent via mail by the Finance Parties to the Company or by the Company to the Finance Parties, shall be sent by in writing and shall be sent via email as well as mailed by registered or certified mail, postage prepaid, or prepaid air courier, or otherwise delivered by email, by hand or by messenger, addressed to such Party's address as set forth below, or such other address with respect to a Party as such Party shall notify each other Parties in writing as above provided.

To the Company:

Gauzy Ltd.
Address: 14 Hatehiya Street, Tel Aviv Israel 6816914
Attn: Eyal Peso (CEO), Meir Peleg (CFO)
Email: Eyal Peso eyal@gauzy.com; Meir Peleg meir.peleg@gauzy.com

To the Facility Agent:

Klirmark Capital 3 Ltd.
Address: 2a Jabotinsky St.. Atrium Tower, Ramat Gan 5250501
Attn: Itzik Ohayon
Email: Iohayon@klirmark.com

Davidson & W Technology Growth Cayman LP
Address:
c/o Maples Corporate Services, Limited PO Box 309, Ugland House,
Grand Cayman, KY1-1104 Cayman Islands

Attn: Eran Davidson, Olga Bermant

Email: eran@davidson-capital.com; olga@davidson-capital.com

To the Lenders: in accordance with the notice details set out in Annex A.

20. **Fees, Commissions and Expenses**

20.1. Upon the extension of any Loan, the Company shall pay the Finance Parties a fee in the amount of 1.25% of the principal amount of such Loan. Finance Parties may set-off such amount from the principal amount of the Loan, and the amounts so off-set shall be deemed extended to the Company.

20.2. On any Interest Payment Date, the Company shall pay to the Facility Agent agency fee at the annual rate of 1% calculated on the Loan Principal Balance during the Interest Period ending on such date, and according to the actual number of days included in the Interest Period for which payment is made (including the first and last day of the Interest Period), divided by 360.

20.3. On the Effective Date or on the Expiration Date, as applicable, the Company shall pay to the Facility Agent or in accordance with its instructions all amounts of expenses (including fees and expenses paid to attorneys, assessors and other advisors and other out of pocket expenses) that the Finance Parties have incurred or shall actually incur in connection with the engagement of the Finance Parties under this Agreement, including with respect to negotiations towards execution of the Finance Documents, performance of financial, accounting and legal due diligence, preparation of the Financing Documents for signature and the execution thereof, up to an amount of USD 80,000 plus VAT.

20.4. The Company shall pay the Finance Parties from time to time in accordance with their first demand, all reasonable expenses (including reasonable fees and expenses paid to attorneys, auditors, assessors and other advisors and other out of pocket expenses) in connection with enforcement or collection proceedings of this Agreement or any of the other Finance Documents, as well as in connection with protection of any right according to this Agreement or any other Finance Document.

20.5. All such expenses and commissions plus delay interest shall be an integral part of the Secured Obligations.

21. **Additional Consideration**

21.1. Upon the occurrence of an Exit Event, the Company shall pay the Lenders an additional consideration, the amount of which shall be calculated as the higher of (a) USD 3,000,000, and (b) the difference between the price per share of a Series D Preferred Share (or of an Ordinary Share into which such Series D Preferred Shares shall have been converted, on or prior to such Exit Event, in accordance with their terms), based on a Company's valuation, as reflected in the terms of the Exit Event, and US$137.36 (being the price per share based on a Company's valuation in the Series D Equity Round (subject to adjustment of the "original issue price" of the Preferred D Shares pursuant to the Articles of Association of the Company), multiplied by 39,314 Series D Preferred Shares (or such number of Ordinary Shares into which such shares shall have been converted, on or prior to such Exit Event, in accordance with their terms), in each case of (a) and (b), taking into account in such calculation any amounts previously paid in respect of any Exit Event in accordance with Section 21.3.

21.2. If no Exit Event occurs until 30 December 2025 (or if on such date any Remaining Percentage remains), the Lenders shall be entitled, at any time during the period starting on 30 December 2025 and until 30 December 2035, to demand from the Company a cash payment of an amount equal to USD 3,000,000 (and, in the event any Remaining Percentage exists – such amount shall be multiplied by the Remaining Percentage), as the payment of the amount of additional consideration. The Company shall pay such amount at the demand of the Lenders, and not later than three Business Days following such demand.

21.3. Notwithstanding the provisions of Section 21.1 hereof, if the Exit Event which triggers the payment of the additional consideration is the transfer of less than 50% of the share capital of the Company, then the Lenders shall only be entitled to such Relevant Percentage of the additional consideration, and the Remaining Percentage of the additional consideration shall be reserved and remain subject to the provisions of this Section 21 (where the additional consideration shall be calculated in accordance with the provisions of this Section 21, multiplied by the Remaining Percentage). For the purpose hereof, "**Relevant Percentage**" means the percentage of the share capital of the Company being transferred in the Exit Event, and the "**Remaining Percentage**" shall mean 100% less the Relevant Percentage.

21.4. If the Exit Event is the offering of shares of the Company to the public or the listing of such shares for trading or a merger transaction with SPAC, then the Lenders shall be entitled to elect to receive the additional consideration in such listed shares (without any further payment by the Lenders), the number of which shall be the amount of additional consideration payable, net of any amount remitted on account of tax withholding on the amount of additional consideration, divided by the price per share of the relevant listed shares to be issued to the Lenders hereunder, at the closing and on the terms of the Exit Event. The Lenders may notify the Company of their election pursuant to this Section in writing no later than five Business Days prior to the Exit Event, and in such event the Company shall issue such listed shares to the Lenders upon consummation of the Exit Event.

21.5. If the Exit Event is a transaction where shareholders of the Company receive shares of any other entity in consideration of their shares in the Company, then the Lenders shall be entitled to elect to receive, in lieu of the additional consideration, such shares of the other entity that are received by such shareholders of the Company, the number of which shall be the amount of additional consideration payable to the Lenders, net of any amount remitted on account of tax withholding on the amount of additional consideration, divided by the value of one share of such other entity, used for the calculation of the number of shares of the other entity delivered to such shareholders of the Company (taking into account the shares deliverable to the Lenders). The Lenders may notify the Company of their election pursuant to this Section in writing no later than five Business Days prior to the Exit Event, and in such event the Company shall procure that such shares are delivered to the Lenders upon consummation of the Exit Event.

21.6. The discharge of the Loan Obligations, whether on the Final Settlement Date or in prepayment, shall not affect the entitlement of the Lenders to receive the additional consideration pursuant to this Section 21, and the provisions of this Section 21, together with any other general provision of this Agreement, shall survive such discharge.

22. **Applicable law and jurisdiction**

22.1. This Agreement and any matter related thereto or derived therefrom shall be governed solely and exclusively by Israeli law, without applying any rules regarding the application the laws of any other jurisdiction.

22.2. The competent courts in Tel Aviv, Israel have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a "Dispute").

22.3. The Parties agree that the competent courts in Tel Aviv, Israel are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

22.4. Notwithstanding the above, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

23. **Continuing Effect and Preference of Obligations**

23.1. Any agreement or document mentioned in this Agreement, save for the Finance Documents, and anything included or not included in such agreement or document, shall not have any effect on the obligations and undertakings of the Company according to the Finance Documents, whether or not the Finance Parties have approved such agreement or document.

23.2. Any obligation, undertaking or limitation that applies to the Company according to any agreement or document that is not a Finance Document (whether or not the Finance Parties are aware of such agreement or document), and is in contrast or does not coincide with any of the Company's undertakings and obligations set forth in the Finance Documents, shall not release the Company from any of its obligations and undertakings according or pursuant to the Finance Documents.

23.3. No changes of any circumstances (financial or other); liquidation or other similar proceedings of any person; or breach of contract by any person shall affect, diminish or release the Company from its obligations according to the Finance Documents, which shall continue to apply in full force and effect notwithstanding any such event.

24. **General provisions**

24.1. All payments that the Company is required to make according to the Finance Documents shall be calculated and paid without any offset and (without derogating from Section 9 above) without any deductions, excluding withholding as required by law and subject to the provisions hereof relating to such Tax withholding and the Company hereby irrevocably waives its right, if any, to implement or demand offset for or against the Loans and/or Secured Obligations.

24.2. This Agreement (together with the other Finance Documents) reflects the full agreements between the parties in connection with the subject matter of this Agreement and it supersedes any previous agreement or arrangement or understanding (in writing or oral) between the parties, if any, that relate to the subject matter of this Agreement (including letters of undertaking to maintain confidentiality etcetera). Without derogating from the generality of the aforementioned, the indicative terms for financial proposal letter dated December 22, 2021, is null and void and has no effect whatsoever.

24.3. This Agreement and the other Finance Documents shall not be deemed to confer rights to any third party, unless as explicitly set forth otherwise with respect to any of their provisions.

24.4. Should it be decided that any provision of any Finance Document is illegal or unenforceable, then, unless illegality or unenforceability completely undermine such Finance Document, such shall not impact the other provisions of the Finance Documents which shall continue to be valid.

24.5. This Agreement may be executed on a single page that includes the signatures of all parties or may be signed on separate pages to be attached to this Agreement and together constituting valid execution of the parties.

In witness hereof the parties have signed:

[signatures page attached]

Signatures Page

Gauzy Ltd.

/s/ Eyal Peso

/s/ Meir Peleg

Klirmark Opportunity Fund III, Limited Partnership

/s/ Klirmark Opprtunity Fund, III, L.P.

By: Klirmark Fund III (G.P.) L.P.

By: Klirmark Fund 3 General Partner LTD

Facility Agent

(Klirmark Capital 3 Ltd.
and
Davidson & W Technology Growth Cayman LP)

/s/ Klirmark Capital 3 Ltd.

/s/ Anvar Asanov

Davidson & W Technology Growth Cayman Limited Partnership

/s/ Anvar Asanov

Exhibit 10.5

AMENDMENT TO

FACILITY AGREEMENT DATED 19.1.2022

Executed on April 25, 2022

By and Among

GAUZY LTD.
Company number 514335967
14 Hatehiya Street, Tel Aviv Israel 6816914
(the "Company")

and

VISION LITE, *société par actions simplifiée*
("Vision Lite")

On the first part;

THE LENDERS
As provided in Annex A of this Agreement

On the second part;

and

Klirmark Capital 3 Ltd.
and
Davidson & W Technology Growth Cayman LP
(collectively, the "Facility Agent")

On the third part;

Whereas the Company and the Finance Parties entered into that certain Facility Agreement dated 19.1.2022 (the "**Facility Agreement**"), pursuant to which the Lenders have advanced to the Company the Loan in the principal amount of USD 20,000,000; and

Whereas the parties have agreed to enter into this Amendment in accordance with the terms and conditions set forth hereunder;

Therefore it has been declared, stipulated and agreed among the parties as follows:

1. **General; interpretation**

In this Amendment, unless the subject matter requires otherwise:

1.1. The preamble of this Amendment and its appendices constitute an integral part thereof.

1.2. This Amendment is an integral part of the Facility Agreement. Any provision of the Facility Agreement which is not amended hereunder shall remain in full force and effect.

1.3. The term "**Secured Obligations**" in Section 2.57 of the Facility Agreement shall be amended by replacing it in its entirety as follows: ""**Secured Obligations**" – all of the respective Obligations of the Company and Vision Lite towards the Finance Parties pursuant to the Facility Agreement and all other Finance Documents, including principal, interest of any kind, fees, payments and commissions due to the Finance Parties, amounts of the additional consideration payable pursuant to Section 21, exchange rates, and including for payment of expenses and reasonable payments incurred by the Finance Parties in connection with or for protection of, or for maintaining or enforcing their rights and all in accordance with the Finance Documents."

1.4. Terms defined in the Facility Agreement shall have the same meaning ascribed thereto in this Amendment, unless a contrary indication appears in this Amendment.

2. **Additional Definitions**

For the purposes of the Facility Agreement, as amended in this Amendment, the following terms shall have the meaning ascribed thereto herein:

"**Gauzy Lenders**" – Klirmark Opportunity Fund III, LP and its successors and assignees.

"**Novation Date**" – April 25, 2022.

"**Vision Lite Lenders**" – Davidson & W Technology Growth Cayman LP and its successors and assignees.

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3. **Accession as borrower and assumption of obligations**

3.1. Effective as of the Novation Date, Vision Lite accedes to the Facility Agreement as borrower, and assumes and accepts the rights and obligations of the Company in respect of a part of the Loan extended on the Effective Date to the Company, in the principal amount of USD5,000,000.

3.2. Following the aforementioned assumption, as of the Novation Date, the outstanding principal of the Loan shall be as follows:

USD 15,000,000 owed by the Company to the Gauzy Lenders ("**Gauzy Loan**") and

USD 5,000,000 owed by Vision Lite to the Vision Lite Lenders ("**Vision Lite Loan**").

3.3. Following the aforementioned assumption, as of the Novation Date, the Facility shall be provided to the Company and Vision Lite and the second drawdown of the remaining Available Amount may be made by the Company and Vision Lite respectively, so that, upon the fulfilment of the conditions and requirements set forth in Sections 3 and 4 of the Facility Agreement, and simultaneously on the date of such second drawdown, up to 75% of the remaining Available Amount (in the principal amount of USD 7,500,000), as may be requested by the Company, shall be extended to the Company by the Gauzy Lenders, and shall constitute an integral part of the Gauzy Loan, and up to 25% of the remaining Available Amount (in the principal amount of USD 2,500,000), as may be requested by Vision Lite, shall be extended to Vision Lite by the Vision Lite Lenders, and shall constitute an integral part of the Vision Lite Loan. For the avoidance of doubt, the Company and Vision Lite may only request the second drawdown to be extended simultaneously, and so that the amount extended to the Company shall constitute 75% of the aggregate amount of the second drawdown, and the amount extended to Vision Lite shall constitute 25% of such aggregate amount of the second drawdown.

4. **Interest, Agency Fees and Additional Consideration, repayment of the Loan Principal Balance, Prepayment**

Provisions of the Facility Agreement relating to the Company and to the Gauzy Loan shall apply to Vision Lite and the Vision Lite Loan, *mutatis mutandis*, and subject to the provisions of this Amendment, including the following modifications:

4.1. The Loan Principal Balance of the Gauzy Loan shall bear Interest and Agency Fees as set forth in Sections 5.1 and 20.2 of the Facility Agreement. Such Agency Fees shall be paid only to Klirmark Capital 3 Ltd. (or its successors and assignees).

4.2. The Loan Principal Balance of the Vision Lite Loan shall bear Interest at an annual rate of 11.5% and shall not bear Agency Fees, and otherwise the provisions of Section 5.1 of the Facility Agreement shall apply to the Loan Principal Balance of the Vision Lite Loan.

4.3. The additional consideration pursuant to Section 21 of the Facility Agreement shall be payable as follows: 75% of the additional consideration shall be payable by the Company to the Gauzy Lenders, and 25% of the additional consideration shall be payable by Vision Lite to the Vision Lite Lenders, provided that if the Vision Lite Lenders elect to receive the additional consideration payable to them in listed shares pursuant to Section 21.4 of the Facility Agreement, then such additional consideration amount shall be deemed to have been paid by Vision Lite to the Vision Lite Lenders upon issuance of the listed shares (and shall be either discharged by payment or set-off of a corresponding amount by Vision Lite to the Company or recorded as a loan made by the Company to Vision Lite).

4.4. The principal of both Gauzy Loan and the Vision Lite Loan shall be repaid in accordance with the provisions of Section 5.2 of the Facility Agreement, it being clarified that any amount on account of the Gauzy Loan shall be repaid to the Gauzy Lenders and any amount on account of the Vision Lite Loan shall be repaid to the Vision Lite Lenders.

4.5. Any prepayment pursuant to Section 6 of the Facility Agreement and any amounts paid and/or received by way of realization or enforcement of any Collateral ("**Loan Payments**"), shall be allocated as follows: 75% of the Loan Payments – on account of the Loan Principal Balance of Gauzy Loan, and 25% of the Loan Payments – on account of the Loan Principal Balance of the Vision Lite Loan.

4.6. For the avoidance of doubt, the provisions of Sections 5.3 and 8 of the Facility Agreement shall apply to any payments made by the Company or Vision Lite or on behalf of any of them.

5. **Information, Collateral and Undertakings, Acceleration and Immediate Repayment, Notices**

5.1. The Company hereby guarantees the full and timely payment by Vision Lite of any and all the Secured Obligations applicable to Vision Lite pursuant to the Facility Agreement and any other Finance Documents. The Company hereby waives any and all defenses and rights pursuant to the provisions of The Guarantee Law, 1967.

5.2. The Company and Vision Lite respectively undertake as follows: (i) the debenture made by the Company pursuant to Section 10.1 of the Facility Agreement shall be amended to refer to the Secured Obligations as amended by this Amendment; (ii) the Company shall enter into a second ranking Pledge of Securities Account Agreement and a second ranking Receivables Pledge Agreement in favor of the Facility Agent for the benefit of the Lenders securing the Secured Obligations under the Facility Agreement; (iii) the first ranking of the Pledge of Securities Account Agreement, Receivable Pledge Agreement and the Bank Accounts Pledge Agreement, made by Vision Lite as pledgor and the Company as beneficiary, all dated 26.1.2022, shall be assigned by the Company to the Facility Agent for benefit of the Finance Parties; (iii) Vision Lite shall enter into a first ranking Pledge of Securities Account Agreement, a first ranking Bank Accounts Pledge Agreement and a first ranking Receivables Pledge Agreement in favor of the Facility Agent for the benefit of the Vision Lite Lenders securing its Secured Obligations under the Facility Agreement. The definition of "Target Security" shall be amended to include such additional and amended Collateral Documents as specified herein. The Company and Vision Lite shall deliver to the Finance Parties, no later than 7 days from the Novation Date, a legal opinion, in form and substance acceptable to the Finance Parties, confirming that the security interest pursuant to the aforementioned Collateral Documents are existing and perfected in favor of the respective pledgees under such Collateral Documents.

5.3. The undertakings set forth in Sections 12.1, 12.2, 12.4, 12.5 (provided that Vision Lite may not have any Financial Indebtedness other than the Vision Lite Loan and on account of Shareholder Loans extended to it by the Company), 12.8, 12.9, 12.10, and 12.12 of the Facility Agreement shall apply to Vision Lite, in addition to the Company.

5.4. Acceleration of the Secured Obligations pursuant to Section 13 of the Facility Agreement shall relate to all Secured Obligations, owed by the Company and Vision Lite. In addition, the Events of Default shall be deemed to include any event or circumstances described therein, in respect of Vision Lite (in addition to the Company) other than, for the avoidance of doubt, the Events of Default specified in Sections 13.1.5, 13.1.6, 13.1.7 and 13.1.22 which refer only to the Company. For the avoidance of doubt, the rights of the Finance Parties upon the occurrence of any Event of Default shall apply to all Secured Obligations, regardless of the Event of Default relating to any of the Company and Vision Lite or both of them.

5.5. Notices to Vision Lite may be made to the following addresses:

C/O Gauzy Ltd.
Address: 14 Hatehiya Street, Tel Aviv Israel 6816914
Attn: Eyal Peso (CEO), Meir Peleg (CFO)
Email: Eyal Peso eyal@gauzy.com; Meir Peleg meir.peleg@gauzy.com

6. **Representations and Warranties of the Company and Vision Lite**

The Company and Vision Lite confirm that they are aware that the Finance Parties have entered into this Amendment in complete reliance upon their representations set forth in this Section 6 hereunder. Without derogating and/or detracting from any declaration and/or representation and/or undertaking of the Company and Vision Lite any

any other Finance Documents, each of the Company and Vision Lite represents and undertakes towards the Finance Parties as follows:

6.1. Each of the Company and Vision Lite has all legal capacity, authority and rights to engage under this Amendment and the Finance Documents and to fulfill all provisions and conditions thereof.

6.2. Each of the Company and Vision Lite has obtained all consents, permits, licenses and approvals required by applicable law (including in accordance with its incorporation documents and applicable law), in connection with its execution and performance under the Finance Documents and, in addition, and have fulfilled all of its obligations and conditions in accordance with such consents, permits, licenses and approvals, which are in full force and effect (and no event has occurred that may constitute breach and/or impact their validity), and no other consents, permits and/or approvals are necessary under applicable law, in Israel, France or elsewhere, and/or under its incorporation documents, for purpose of implementing or consummating any of the actions or transactions required by the Company or Vision Lite according to this Amendment and the other Finance Documents and/or to grant binding effect and enforceability to the legal results deriving from the Finance Documents.

6.3. Each of the Finance Documents constitutes a lawful, effective, valid, binding and enforceable obligation of the Company and Vision Lite, respectively, according to their terms and conditions.

6.4. The entry of the Company and Vision Lite into this Amendment, and the accession of Vision Lite to the Finance Documents, and fulfillment of the obligation contained in each of them: (a) does not contradict provisions of law applicable to the Company or Vision Lite; (b) does not and shall not cause breach of any contract, document or undertaking of the Company or Vision Lite; (c) does not and shall not constitute breach and/or deviation from any provision of the incorporation documents and/or resolutions of the authorized organs of the Company or of Vision Lite; and (d) shall not cause imposing or exercising any Pledges on any asset or right of the Company and/or Vision Lite.

6.5. Following the assumption of the Vision Lite Loan by Vision Lite as set forth in this Amendment, the outstanding balance of Shareholder Loans owed by Vision Lite to the Company is approx. EUR 17,498,000. Except for such Shareholder Loans and the Secured Obligations, Vision Lite does not have any Financial Indebtedness.

6.6. Except for under the Collateral Documents and any Permitted Security, the assets and property of Vision Lite is free and clear of any Pledges.

6.7. There is no Default outstanding and no Default is reasonably likely to occur immediately following the execution of this Amendment.

7. **Applicable law and jurisdiction**

7.1. This Amendment and any matter related thereto or derived therefrom shall be governed solely and exclusively by Israeli law, without applying any rules regarding the application the laws of any other jurisdiction.

7.2. The competent courts in Tel Aviv, Israel have exclusive jurisdiction to settle any dispute arising out of or in connection with this Amendment and the Facility Agreement (including a dispute relating to the existence, validity or termination of this Amendment or any non-contractual obligation arising out of or in connection with this Amendment) (a "Dispute").

7.3. The Parties agree that the competent courts in Tel Aviv, Israel are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

7.4. Vision Lite hereby irrevocably appoints the Company to serve as its agent for purposes of service of any court documents or legal proceedings relating to a Dispute, and any service made to the Company on behalf of Vision Lite shall be deemed service to Vision Lite. The Company irrevocably accepts such appointment.

7.5. Notwithstanding the above, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

8. **General provisions**

8.1. Vision Lite shall bear the expenses of the Finance Parties relating to this Amendment, in the amount of NIS 30,000 plus VAT.

8.2. This Amendment may be executed on a single page that includes the signatures of all parties or may be signed on separate pages to be attached to this Amendment and together constituting valid execution of the parties.

In witness hereof the parties have signed:

[signatures page attached]

Signatures Page

Gauzy Ltd.

/s/ Eyal Peso
/s/ Meir Peleg

Vision Lite, ***société par actions simplifiée***

/s/ Carl Putman

Klirmark Opportunity Fund III, Limited Partnership

/s/ Klirmark Opportunity Fund III, L.P.

By: Klirkmark Fund III (G.P.) L.P.

By: Klirmark Fund 3 General Partner LTD

Facility Agent

Davidson & W Technology Growth Cayman Limited Partnership

/s/ Davidson

(Klirmark Capital 3 Ltd.
and
Davidson & W Technology Growth Cayman LP)

/s/ Klirmark Capital 3 Ltd.

/s/ Davidson

Exhibit 10.6

WAIVER AND AMENDMENT
Dated 3.7.2024

TO

THE FACILITY AGREEMENT DATED 19.1.2022
(as amended on 25.4.2022 and as further amended from time to time)

By and Among

1. **Gauzy Ltd.**, a private company incorporated and registered in accordance with the laws of the State of Israel, company number 514335967 ("**Gauzy**");

2. **Vision Lite,** ***société par actions simplifée*** ("**Vision Lite**", and, together with Gauzy, the "**Borrowers**");

3. **Klirmark Capital 3 Ltd.** (as Lender);

4. **Davidson & W Technology Growth Cayman Limited Partnership** as Lender and as Facility Agent); and

5. **Klirmark Capital 3 Ltd.** (as Facility Agent);

Reference is made to that certain Facility Agreement dated 19.1.2022 by and among Gauzy, the Lenders and Facility Agents, as amended on 25.4.2022 by the Borrowers, Lenders and Facility Agents (as may be amended from time to time, the "**Facility Agreement**").

The Borrowers have requested that the Finance Parties agree to the postponement of the principal payments on account of the Gauzy Loan and the Vision Lite Loan due to be paid on the Principal Payment Date occurring on 30.6.2023, and the Finance Parties have agreed to such request, subject to the conditions set forth herein, which shall constitute an amendment of the Facility Agreement.

IT IS AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 This Waiver and Amendment Agreement shall constitute an integral part of the Facility Agreement, and the provisions of the Facility Agreement shall be deemed to be included in this Waiver and Amendment, and continue to apply to the parties, subject only to the express provisions of this Waiver and Amendment.

1.2 Words and expressions used in this Waiver and Amendment shall have the same meanings as in the Facility Agreement.

1.3 This Waiver and Amendment is a Finance Document.

2 AMENDMENTS TO THE FACILITY AGREEMENT

2.1 Notwithstanding the provisions of Section 5.2 of the Facility Agreement: (a) the Borrowers shall not be required to repay the respective instalments under the Gauzy Loan and the Vision Lite Loan due on the Principal Payment Date occurring on 30.6.2023 (for each Borrower, respectively, the "**Postponed Principal Instalment**"), and (b) on the Principal Payment Date occurring on 30.9.2023, each of the Borrowers shall repay, in addition of the principal instalment due on such date, its Postponed Principal Instalment, on account of the principal amounts of the Gauzy Loan and the Vision Lite Loan, respectively, so that the aggregate principal amount to be repaid on 30.9.2023 shall equal principal amounts payable on each of the Gauzy Loan and the Vision Lite Loan, respectively, on 30.6.2023 and 30.9.2023 in accordance with the repayment schedule provided to Gauzy by the Finance Parties (being USD 4,050,000 on account of the Gauzy Loan and USD 1,350,000 on account of the Vision Lite Loan).

For the avoidance of doubt, payment of Interest due on the Interest Payment Date occurring on 30.6.2023 on the Gauzy Loan and on the Vision Lite Loan pursuant to Section 5.1 of the Facility Agreement, as well as Agency Fees payable on the Gauzy Loan pursuant to Section 20.2 of the Facility Agreement due on such Interest Payment Date, shall be paid by the relevant Borrower on such Interest Payment Date.

2.2 As of the Interest Period commencing on 1.7.2023, and until the full and final discharge of the Secured Obligations, the Interest Rate applicable to the Gauzy Loan shall be 11.5% *per annum*, and the Interest Rate applicable to the Vision Lite Loan shall be 12.5%*per annum.*

2.3 In addition to the Interest as set forth in the Facility Agreement and as amended by Section 2.2 hereof, the Postponed Principal Instalment shall bear an additional interest at the rate of 2% *per annum*, to be paid by each Borrower, respectively, on the Interest Payment Date occurring on 30.9.2023.

2.4 Whenever the Borrowers discharge the Secured Obligations in full, each Lender shall be entitled to demand the payment of up to 50% of its share in the additional consideration payable pursuant to Section 21 of the Facility Agreement, up to an aggregate amount (for all Lenders) of US Dollars 1,500,000, on account of the additional consideration which will be payable to such Lender pursuant to the provisions of Section 21 of the Facility Agreement.

2.5 Until no later than 31.7.2023, Gauzy shall deliver to the Finance Parties a written commitment of any investor (including its existing shareholders, or any of them or any other investor making such commitment), in form and substance acceptable to the Finance Parties, to invest in the share capital of Gauzy, or to extend to it Shareholder Loans (which shall be subordinated to the Secured Obligations pursuant to the provisions of the Finance Documents), no later than 30.9.2023, in an amount of US Dollars 10,000,000, less any amount invested in the share capital of Gauzy or extended to it as such Shareholder Loans by third parties until such date.

3 REPRESENTATIONS OF THE BORROWERS

Each Borrower hereby confirms its representations and warranties as follows:

3.1 Each Borrower has all legal capacity, authority and rights to engage under this Waiver and Amendment and to fulfill all provisions and conditions thereof.

3.2 Each Borrower has obtained all consents, permits, licenses and approvals required by applicable law (including in accordance with its incorporation documents and applicable law), in connection with its execution and performance under the Finance Documents and, in addition, and have fulfilled all of its obligations and conditions in accordance with such consents, permits, licenses and approvals, which are in full force and effect (and no event has occurred that may constitute breach and/or impact their validity), and no other consents, permits and/or approvals are necessary under applicable law, in Israel, France or elsewhere, and/or under its incorporation documents, for purpose of implementing or consummating any of the actions or transactions required by the Company or Vision Lite according to this Waiver and Amendment and the other Finance Documents and/or to grant binding effect and enforceability to the legal results deriving from the Finance Documents.

3.3 Each of the Finance Documents constitutes a lawful, effective, valid, binding and enforceable obligation of the Company and Vision Lite, respectively, according to their terms and conditions.

3.4 The entry of the Company and Vision Lite into this Waiver and Amendment, and fulfillment of the obligation contained in it: (a) do not contradict provisions of law applicable to the Company or Vision Lite; (b) do not and shall not cause breach of any contract, document or undertaking of the Company or Vision Lite; (c) do not and shall not constitute breach and/or deviation from any provision of the incorporation documents and/or resolutions of the authorized organs of the Company or of Vision Lite; and (d) shall not cause imposing or exercising any Pledges on any asset or right of the Company and/or Vision Lite.

3.5 There is no Default outstanding and no Default is reasonably likely to occur immediately following the execution of this Waiver and Amendment.

4 EXPENSES

Gauzy shall pay or reimburse the Finance Parties all costs and expenses (including all professional fees) reasonably incurred by them in connection with the preparation of this Waiver and Amendment in the amount of NIS 5000 plus VAT.

5 COUNTERPARTS

This Waiver and Amendment may be executed in any number of counterparts, each of which shall constitute an original but which together shall constitute one and the same instrument.

6 RATIFICATION

Subject to the modifications contained in this Waiver and Amendment, the Facility Agreement remains in full force and effect.

THIS WAIVER AND AMENDMENT has been executed and delivered on the date first specified above.

Signature Page of Waiver and Amendment dated _____

Gauzy Ltd.

/s/ Eyal Peso

/s/ Meir Peleg

Davidson & W Technology Growth Cayman Limited Partnership

/s/ Davidson

Klirmark Capital 3 Ltd.

/s/ Klirmark Capital 3 Ltd.

Vision Lite, ***société par actions simplifée***

/s/ Eyal Peso

Klirmark Opportunity Fund III, LP

/s/ Klirmark Opprtunity Fund, III, L.P.

By: Klirmark Fund III (G.P.) L.P.

By: Klirmark Fund 3 General Partner LTD

Exhibit 10.7

WAIVER AND AMENDMENT
Dated 12 October 2023

TO

THE FACILITY AGREEMENT DATED 19.1.2022
(as amended on 25.4.2022 and as further amended from time to time)

By and Among

1. **Gauzy Ltd.**, a private company incorporated and registered in accordance with the laws of the State of Israel, company number 514335967 ("**Gauzy**");

2. **Vision Lite,** ***société par actions simplifée*** ("**Vision Lite**", and, together with Gauzy, the "**Borrowers**");

3. **Klirmark Capital 3 Ltd.** (as Lender);

4. **Davidson & W Technology Growth Cayman Limited Partnership** as Lender and as Facility Agent); and

5. **Klirmark Capital 3 Ltd.** (as Facility Agent);

Reference is made to that certain Facility Agreement dated 19.1.2022 by and among Gauzy, the Lenders and Facility Agents, as amended on 25.4.2022 by the Borrowers, Lenders and Facility Agents (as may be amended from time to time, the "**Facility Agreement**") and to that certain Waiver and Amendment dated 3.7.2023 (the "**Waiver**").

The Borrowers have requested that the Finance Parties agree to the postponement of the principal payments on account of the Gauzy Loan and the Vision Lite Loan due to be paid pursuant to Section 2.1 of the Waiver and the Finance Parties have agreed to such request, subject to the conditions set forth herein, which shall constitute an amendment of the Facility Agreement.

IT IS AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 This Waiver and Amendment Agreement shall constitute an integral part of the Facility Agreement, and the provisions of the Facility Agreement shall be deemed to be included in this Waiver and Amendment, and continue to apply to the parties, subject only to the express provisions of this Waiver and Amendment.

1.2 Words and expressions used in this Waiver and Amendment shall have the same meanings as in the Facility Agreement.

1.3 This Waiver and Amendment is a Finance Document.

2 AMENDMENTS TO THE FACILITY AGREEMENT

2.1 The Borrowers undertake to pay the Postponed Principal Instalment no later than 2.11.2023, together with the Waiver Fee as set forth below:

If the Postponed Principal Amount is paid no later than 19.10.2023, the Waiver Fee shall be in an amount of US Dollars 1,000,000;

If the Postponed Principal Amount is paid after 19.10.2023 and no later than 26.10.2023, the Waiver Fee shall be in an amount of US Dollars 1,250,000;

If the Postponed Principal Amount is paid after 26.10.2023, the Waiver Fee shall be in an amount of US Dollars 1,500,000.

The Company shall pay 75% of the Waiver Fee to the Gauzy Lenders and Vision Lite shall pay 25% of the Waiver Fee to the Vision Lite Lenders.

2.2 For the avoidance of doubt, together with the payment of the Postponed Principal Amount, the Borrowers shall pay the accrrured Interest and Agency Fees on the Postponed Principal Amount for the period ending on 30.9.2023.

3 REPRESENTATIONS OF THE BORROWERS

Each Borrower hereby confirms its representations and warranties as follows:

3.1 Each Borrower has all legal capacity, authority and rights to engage under this Waiver and Amendment and to fulfil all provisions and conditions thereof.

3.2 Each Borrower has obtained all consents, permits, licenses and approvals required by applicable law (including in accordance with its incorporation documents and applicable law), in connection with its execution and performance under the Finance Documents and, in addition, and have fulfilled all of its obligations and conditions in accordance with such consents, permits, licenses and approvals, which are in full force and effect (and no event has occurred that may constitute breach and/or impact their validity), and no other consents, permits and/or approvals are necessary under applicable law, in Israel, France or elsewhere, and/or under its incorporation documents, for purpose of implementing or consummating any of the actions or transactions required by the Company or Vision Lite according to this Waiver and Amendment and the other Finance Documents and/or to grant binding effect and enforceability to the legal results deriving from the Finance Documents.

3.3 Each of the Finance Documents constitutes a lawful, effective, valid, binding and enforceable obligation of the Company and Vision Lite, respectively, according to their terms and conditions.

3.4 The entry of the Company and Vision Lite into this Waiver and Amendment, and fulfillment of the obligation contained in it: (a) do not contradict provisions of law applicable to the Company or Vision Lite; (b) do not and shall not cause breach of any contract, document or undertaking of the Company or Vision Lite; (c) do not and shall not constitute breach and/or deviation from any provision of the incorporation documents and/or resolutions of the authorized organs of the Company or of Vision Lite; and (d) shall not cause imposing or exercising any Pledges on any asset or right of the Company and/or Vision Lite.

3.5 There is no Default outstanding and no Default is reasonably likely to occur immediately following the execution of this Waiver and Amendment.

4 EXPENSES

The Borrowers shall pay or reimburse the Finance Parties all costs and expenses (including all professional fees) reasonably incurred by them in connection with the preparation of this Waiver and Amendment.

5 COUNTERPARTS

This Waiver and Amendment may be executed in any number of counterparts, each of which shall constitute an original but which together shall constitute one and the same instrument.

6 RATIFICATION

Subject to the modifications contained in this Waiver and Amendment, the Facility Agreement remains in full force and effect.

THIS WAIVER AND AMENDMENT has been executed and delivered on the date first specified above.

Signature Page of Waiver and Amendment dated 12 October 2023

Gauzy Ltd.

/s/ Eyal Peso

Davidson & W Technology Growth Cayman Limited Partnership

/s/ Davidson

Klirmark Capital 3 Ltd.

/s/ Klirmark Capital 3 Ltd.

Vision Lite, ***société par actions simplifée***

/s/ Eyal Peso

Klirmark Opportunity Fund III, LP

/s/ Klirmark Opprtunity Fund, III, L.P.

By: Klirmark Fund III (G.P.) L.P.

By: Klirmark Fund 3 General Partner LTD

Exhibit 10.8

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

SPD FILM, EMULSION AND END-PRODUCT LICENSE AGREEMENT
BETWEEN
RESEARCH FRONTIERS INCORPORATED
AND
GAUZY LTD.

This License Agreement ("Agreement") effective as of September 30, 2017 by and between RESEARCH FRONTIERS INCORPORATED, a Delaware corporation ("LICENSOR") and GAUZY LTD., a corporation organized under the laws of Israel ("LICENSEE").

RECITALS

WHEREAS, LICENSOR has been engaged in research and development in the application of physicochemical concepts to Light Valves, Light Valve Film, and SPD Emulsions (all as hereinafter defined) and of methods and apparatus relating to products incorporating such concepts and is possessed of and can convey information and know-how for such products and rights to manufacture, use and sell such products; and

WHEREAS, LICENSEE is interested in manufacturing and selling Licensed Products, Light Valve Film and SPD Emulsions used to make Light Valve Film (all as hereinafter defined); and

WHEREAS, LICENSEE desires to acquire from LICENSOR, and LICENSOR desires to grant to LICENSEE, certain rights and licenses with respect to such technology of LICENSOR;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows.

1 DEFINITIONS.

The following terms when used herein shall have the respective meanings set forth in this Article 1.

The "Effective Date" of this Agreement shall be the date which is the last date of formal execution of this Agreement by duly authorized representatives of the parties to this Agreement as indicated on the signature page of this Agreement.

"Authorized User" means LICENSOR and/or any other person or entity listed by LICENSOR on Schedule B hereof who has been granted permission by LICENSOR to receive SPD Emulsions or Light Valve Film from LICENSEE under this Agreement. LICENSEE agrees that LICENSOR in its sole judgment may amend Schedule B hereof at any time during the term of this Agreement for any reason by sending LICENSEE a written notice of such amendment and specifying the reason for such change. The persons or entities now or hereafter listed on Schedule B may not include all of LICENSOR's current licensees and may include prospective licensees of LICENSOR, and for legal or practical reasons, LICENSOR may restrict whether or not SPD Emulsions and Light Valve Film may be sold, leased or transferred to such person or entity, and/or the application that such SPD Emulsions or Light Valve Film may be used for by the recipient. LICENSEE agrees that it and its permitted sublicensees hereunder shall cease all sales, leases, or other dispositions of SPD Emulsions and Light Valve Film to any person or entity whose name is deleted from Schedule B by LICENSOR, unless and until LICENSOR consents in writing to the resumption of such sales, leases or other dispositions (a) immediately upon receipt of any written notice from LICENSOR that any person or entity is no longer included on Schedule B, or (b) if either LICENSEE or its permitted sublicensees becomes aware that any such person or entity listed on Schedule B or otherwise receiving SPD Emulsions or Light Valve Film is making any improper use of SPD Emulsions or Light Valve Film, in which case LICENSEE shall promptly notify LICENSOR of such improper use.

"Licensed Product" means a Light Valve Architectural Window Product incorporating a Light Valve. The term "Licensed Product" shall not include Light Valves used or intended for use in any product other than as specifically defined herein, such as but not limited to, other window products not specifically defined herein, such as windows for transportation vehicles, including, but not limited to windows for passenger cars, recreational vehicles, trucks, mobile cranes, trains, monorails, aircraft, boats, vans, sport utility vehicles, space craft and space-stations, and non window products such as but not limited to displays, eyewear, sunvisors, toys, mirrors or filters for scientific instruments, lamps or contrast enhancement of displays. The term "display" means any device for displaying letters, numbers, images or other indicia or patterns. Nothing contained herein shall permit LICENSEE to sell, lease, or otherwise dispose of a Light Valve which is not incorporated or intended to be incorporated as described above into a Light Valve Architectural Window Product.

"Licensed Territory" means all countries of the world.

"Light Valve" means a variable light transmission device comprising: a cell including cell walls, containing or adapted to contain an activatable material, described hereinafter, such that a change in the optical characteristics of the activatable material affects the characteristics of light absorbed by, transmitted through and/or reflected from the cell; means incorporated in or on the cell, or separate therefrom for applying an electric or magnetic field to the activatable material within the cell; and coatings (including, but not limited to, electrodes), spacers, seals, electrical and/or electronic components, and other elements incorporated in or on or combined with the cell. The activatable material, which the cell contains or is adapted to contain, includes in it solid suspended particles, which when subjected to a suitable electric or magnetic field, orient to produce a change in the optical characteristics of the device, and may be in the form of a liquid suspension, gel, film or other material.

"Light Valve Architectural Window Product" means a Light Valve used or intended for use solely as a window integrally incorporated in, or attached as a fixture to the external structure or internal structure of any building, whether permanent or temporary, and whether above or below ground.

"Light Valve Film" means a film or sheet or more than one thereof comprising a suspension of particles used or intended for use solely in or as a Light Valve. The Light Valve Film shall comprise either (a) a suspension of particles dispersed throughout a continuous liquid phase enclosed within one or more rigid or flexible solid films or sheets, or (b) a discontinuous phase of a liquid comprising dispersed particles, said discontinuous phase being dispersed throughout a continuous phase of a rigid or flexible solid film or sheet. The Light Valve Film may also comprise one or more other layers such as, without limitation, a film, coating or sheet or combination thereof, which may provide the Light Valve Film with (1) scratch resistance, (2) protection from ultraviolet radiation, (3) reflection of infrared energy, and/or (4) electrical conductivity for transmitting an applied electric or magnetic field to the activatable material.

For purposes of calculating any royalty due under this License Agreement, the "Net Selling Price" of a Licensed Product on which royalties are payable shall be the larger of the following: (A) the genuine selling price of LICENSEE and its sublicensees hereunder (including amounts charged for any wiring, installation, and related services provided by LICENSEE and its sublicensees hereunder) f.o.b. factory at which nonaffiliated customers are billed in the usual course of business for a Licensed Product, as packed for shipment to the customer; and (B) $[***] per window. The aforementioned $[***] figure specified in clause (B) above shall be adjusted upward as of each January1st hereafter beginning on January 1, 2019 by any increase in the Producer Price Index for Finished Goods (the "Index") for the 12 month period ending in December of the prior year, prepared by the Bureau of Labor Statistics of the United States Department of Labor (or if the Index is not then being published, the most nearly comparable successor index). In calculating a genuine selling price of a product for the above calculation, such price may be reduced only by the applicable proportions of the following if, and to the extent that, amounts in respect thereof are reflected in such selling price: (i) normal trade discounts actually allowed; (ii) sales, use or excise and added value taxes and custom duties paid; (iii) if the genuine selling price is other than f.o.b. factory,

amounts paid for f.o.b. transportation of the product to the customer's premises or place of installation or delivery; (iv) insurance costs and the costs of packing material, boxes, cartons and crates required for shipping; *provided, however,* that for purposes of this calculation, the genuine selling price of a product may not be less than[***]% of the gross selling price of said product after all deductions therefrom, if any. If a product is leased, sold, used or otherwise disposed of on terms not involving a bona fide arm's length sale to an unaffiliated third party, then the Net Selling Price for such transactions shall be deemed to be the Net Selling Price as defined above for identical products sold to a nonaffiliated customer nearest to the date of such lease, sale, use, or other disposition.

"SPD Emulsion" means any component or components used or usable in or used or usableto make a Light Valve Film, including, but not limited to, particles, particle precursors, coatings, polymers, liquid suspensions and suspending liquids, or any combination thereof.

"Technical Information" means all useful information relating to apparatus, methods, processes, practices, formulas, techniques, procedures, patterns, ingredients, designs and the like including (by way of example) drawings, written recitations of data, specifications, parts, lists, assembly procedures, operating and maintenance manuals, test and other technical reports, know-how of LICENSOR, and the like owned or controlled by LICENSOR, to the extent they exist, that relate to Licensed Products, SPD Emulsions and/or to the suspensions used or usable for SPD Emulsions or Light Valve Film, Licensed Products or Light Valves including, but not limited to, particles, particle precursors, coatings, polymers, liquid suspensions and suspending liquids, electronics and electronic systems, lamination procedures, or any combination thereof, and that consist of concepts invented or developed by LICENSOR and which are deemed significant by LICENSOR. Know how of LICENSOR's suppliers and of LICENSOR's other licensees and their sublicensees under licenses from LICENSOR shall not be considered Technical Information owned or controlled by LICENSOR.

2 GRANT OF LICENSES.

2.1 Licenses. During the term of this Agreement, LICENSOR hereby grants LICENSEE a non-exclusive right and license to use (a) all of the Technical Information, if any, furnished by LICENSOR pursuant to this Agreement, and (b) any invention claimed in (i) any of the unexpired patents now or hereafter listed on Schedule A attached hereto or (ii) unexpired patents which issue from pending patent applications now or hereafter listed in Schedule A, and any continuations, continuations-in-part, divisions, reissues, reexaminations, or extensions thereof to make, have made, and to lease, sell, or otherwise dispose of (A) SPD Emulsions and Light Valve Film manufactured by LICENSEE pursuant to this Agreement solely to an Authorized User in the Authorized User's permitted territory and for the applications specified and purpose permitted on Schedule B hereof, and (B) Licensed Products in the Licensed Territory. The license granted pursuant to Section 2.l(A) shall be royalty-free to LICENSEE and its permitted sublicensees hereunder, and the license granted pursuant to Section 2.l(B) shall be subject to the payment of royalties specified in Section 3.1 hereof. By virtue of the disclosure of Technical Information and training provided by LICENSOR under this Agreement, all SPD Emulsions and Light Valve Film sold, leased or otherwise disposed of by or for LICENSEE hereunder shall be deemed to have been manufactured at least in part using the Technical Information provided by LICENSOR. The foregoing license is only a license with respect to Licensed Products, SPD Emulsions and Light Valve Film and nothing contained in this Agreement shall permit LICENSEE to make, sell, use or otherwise dispose of other Light Valve products. Notwithstanding anything contained herein or in Schedule A hereto to the contrary, no rights or licenses shall be granted hereunder with respect to any new particle (other than LICENSOR's current polyiodide crystal) now or hereafter under development or invented by or for LICENSOR or comprising part of the activatable material of a Light Valve emulsion or film sold or for sale by any other licensee of LICENSOR.

2.2 No Other Rights. LICENSEE agrees that, except for the specific licenses granted to it under Section 2.1 hereof, LICENSEE has not acquired any rights or licenses under this Agreement to use SPD Emulsions or Light Valve Film or any components thereof made by or for LICENSEE pursuant to this Agreement except for the purposes of research and development pursuant to Section 4.1 hereof and as specifically licensed in Section 2.1 hereof.

2.3 Sublicenses. LICENSEE shall have the right to grant non-exclusive sublicenses to any of its wholly-owned and controlled subsidiaries, whose obligations to LICENSOR hereunder LICENSEE hereby guarantees, and each of which acknowledges to LICENSOR in writing for each sublicense that it wishes to become a sublicensee hereunder prior to doing so and agrees to be bound by the terms and conditions of this Agreement. All sublicenses shall (i) be non-exclusive, (ii) shall terminate with the termination of the rights and licenses granted to LICENSEE under Section 2.1 hereof, and be otherwise limited in accordance with the limitations and restrictions which are imposed on the rights and licenses granted to LICENSEE hereunder, (iii) contain confidentiality provisions no less protective than those contained in Section 12.l hereof, and (iv) shall contain such other terms, conditions, and licenses as are necessary to enable LICENSEE to fulfill its obligations hereunder. LICENSEE shall send LICENSOR a copy of every sublicense agreement or other agreement entered into by LICENSEE in connection with a sublicense hereunder within thirty (30) days of the execution thereof and shall also notify LICENSOR prior to any change in ownership in a sublicensee. LICENSOR may terminate any such sublicense if there is any change in the ownership or control of a sublicensee.

3 ROYALTIES, REPORTS AND RECORD-KEEPING ON SALES OF LICENSED PRODUCTS, SPD EMULSIONS AND LIGHT VALVE FILM.

3.l(a) Royalties and Reports. During the term of this Agreement, LICENSEE agrees to pay LICENSOR an earned royalty which shall be[***] ([***]%) of the Net Selling Price of Licensed Products which embody, or the manufacture of which utilizes, any of the rights granted under Section 2.l(B) hereof, and which are manufactured by or for LICENSEE and sold, leased, used or otherwise disposed of by or for LICENSEE or a permitted sublicensee. Licensed Products shall be considered as sold, leased or used and royalties shall accrue on the earlier of when such Licensed Products are billed out, or when delivered, shipped or mailed to the customer. If as a result of a price reduction or a return of Licensed .Products previously sold, a credit or refund to a customer is given on part or all of the sale price of such Licensed Products: a credit shall be allowed against royalties accruing thereafter under this Agreement equal to the royalty paid on that part of the sales price so credited or refunded. Payments under this Section 3.1 shall be made on a monthly basis and made within 10 days after the end of the calendar month in which such Licensed Products were sold, leased, used or otherwise disposed of by or for LICENSEE or a permitted sublicensee hereunder. Each royalty payment shall be in U.S. dollars and shall be accompanied by a statement by LICENSEE showing in reasonable detail the amount of Licensed Products sold, used, leased or otherwise disposed of by or for LICENSEE and its sublicensees during the preceding month, any deductions taken or credits applied, and the currency exchange rate used to report sales made in currencies other than U.S. dollars. LICENSEE shall use the exchange rates for buying U.S. dollars calculated on the basis of the exchange rate in effect on the last day of each month, as specified on the website *http://www.oanda.com/currencylconverterl*or, if this website should not be accessible for whatever reasons, inThe New York Times. Such report shall also set forth in reasonable detail the quantity of SPD Emulsions and Light Valve Film manufactured or otherwise obtained by LICENSEE and the quantity of SPD Emulsions and Light Valve Film sold, leased, disposed of, or delivered by or for LICENSEE and its sublicensees during such month to Authorized Users and samples provided to third parties with LICENSOR's consent, with the amounts sold or otherwise provided to each Authorized User, including sample recipients, and their identity clearly broken down. The first such statement shall cover the period from the Effective Date of this Agreement to the end of the first calendar month in which a Licensed Product or SPD Emulsions or Light Valve Film is sold, used, leased or otherwise disposed of by or for LICENSEE or its sublicensees. In addition, LICENSEE shall provide LICENSOR with monthly reports of its activities involving the development of Licensed Products. LICENSEE shall also furnish to LICENSOR at the same time it becomes available to any third party, a copy of each brochure, price list, advertisement or other marketing and promotional materials prepared, published or distributed by LICENSEE or its sublicensees relating to Licensed Products, SPD Emulsions or Light Valve Film. LICENSOR shall have the right, but not the obligation, to approve any use by LICENSEE of LICENSOR's name, logo, or other information about SPD Emulsions, Light Valve Film or Licensed Products, and to require the correction of any inaccurate information.

3.2 Minimum Royalties - Regardless of whether LICENSEE sells any Licensed Products, during the term of this Agreement LICENSEE agrees to pay LICENSOR an initial fee of $[***] (the "Initial Fee") upon signing of this License Agreement and the following non-refundable minimum royalties, as may be adjusted per Section 3.3 below (in U.S. Dollars) specified below for each of the stated periods:

Period		Minimum Royalty
From the Effective Date of this Agreement to December 31, 2017	$	[***]
From January 1, 2018 to December 31, 2018	$	[***]

From January 1, 2019 to December 31, 2019	$	[***]
From January 1, 2020 to December 31, 2020	$	[***]
From January 1, 2021 to December 31, 2021	$	[***]
From January 1 to December 31 of each license year thereafter	$	,20,000

3.3 Time and Method of Payment. The Initial Fee under Section 3.2 shall be paid to LICENSOR as indicated on Schedule C hereto, and each payment under Section 3.2 to LICENSOR for minimum annual royalties shall be made on or before December 31 of each license year commencing December 31, 2017. All other payments shall be due on the date specified in this Agreement, or if no date is specified, within 30 days of invoice. All payments that remain unpaid past their due date shall bear interest at an annual rate equal to the lesser of [***]% or the maximum interest rate permitted by law. All payments made to LICENSOR shall be paid by wire transfer of immediately available funds to the account of Research Frontiers Incorporated at [***], or to such other account or place, as LICENSOR may specify in a notice to LICENSEE.

3.4 Recordkeeping. LICENSEE shall keep and shall cause each sublicensee to keep for six (6) years after the date of submission of each report supported thereby, true and accurate records, files, data and books of accounts that relate to the acquisition, processing, lamination, sale or other disposition of SPD Emulsions, Light Valve Film and Licensed Products, all data reasonably required for the full computation and verification of the Net Selling Price of Licensed Products, deductions therefrom and royalties to be paid, as well as the other information to be given in the statements herein provided for, and shall permit LICENSOR or its duly authorized representatives, upon reasonable notice, adequately to inspect the same at any time during usual business hours. LICENSOR and LICENSEE agree that an independent certified public accounting firm (selected by LICENSOR from the largest ten certified public accounting firms in the United States of America, or in any country in the Licensed Territory) may audit such records, files and books of accounts to determine the accuracy of the statements given by LICENSEE pursuant to Section 3.1 hereof. Such an audit shall be made upon reasonable advance notice to LICENSEE and during usual business hours no more frequently than annually. The cost of the audit shall be borne by LICENSOR, unless the audit shall disclose a breach by LICENSEE of any term of this Agreement, or an underpayment error in excess of two percent of the total monies paid to LICENSOR by LICENSEE during the audited period, in which case LICENSEE shall bear the full c.ost of such audit. LICENSEE agrees to pay LICENSOR all additional monies that are disclosed by the audit to be due and owing to LICENSOR within thirty days of the receipt of the report.

3.5 Customer Referrals. Upon request by LICENSEE, LICENSOR shall introduce LICENSEE to all licensees of LICENSOR in good standing who are purchasing Light Valve Film. Although LICENSOR is under no obligation to do so, LICENSOR may also from time to time refer customers to LICENSEE. In the event that such customer purchases, leases or rents products or services from LICENSEE (other than a sale of SPD Emulsions, Light Valve Film to an Authorized User, or a Licensed Product upon which a royalty is paid by LICENSEE to LICENSOR pursuant to Section 3.1 hereof), LICENSEE shall include the details of such transaction in its next monthly report under Section 3.1 hereof, and shall pay LICENSOR a sales commission equal to [***] ([***]%) of the amount received from such customer for which a royalty under Section 3.1 hereof is not paid. No such payment shall be due from LICENSEE to .LICENSOR if the referred customer was already a customer of LICENSEE prior to the date of referral by LICENSOR and LICENSEE informs LICENSOR of such fact at the time that the referral by LICENSOR is made.

4 OBLIGATIONS OF LICENSOR AND LICENSEE.

4.1 Development of SPD Emulsions and Light Valve Film. LICENSOR and LICENSEE may cooperate to develop initial specifications for SPD Emulsions and Light Valve Film. LICENSEE shall then use its reasonable efforts to produce SPD Emulsions and Light Valve Film meeting such specifications for the evaluation and use of LICENSOR and licensees and prospective licensees of LICENSOR, and for use by LICENSEE but only for internal research and development and for sale to Authorized Users as permitted herein. After consultation with LICENSEE, LICENSOR may at any time propose additional specifications of the SPD Emulsions and Light Valve Film to be produced under this Agreement with the disclosure of additional Technical Information to LICENSEE with respect to such other specifications of SPD Emulsions or Light Valve Film. LICENSEE may use all commercially reasonable efforts throughout the term of this Agreement to improve the quality of SPD Emulsions and Light Valve Film and to produced Light Valve Film that is at least 1.8 meters wide. However, LICENSEE shall be solely responsible for determining the specifications for all SPD Emulsions and Light Valve Film, and for any improvements therein..

4.2 LICENSOR Purchases. If LICENSEE is able to develop and manufacture SPD Emulsions and Light Valve Film suitable for use by Authorized Users, upon request of LICENSOR and with reasonable prior notice, LICENSEE shall sell and deliver to LICENSOR SPD Emulsions at its direct cost without markup or overhead, and shall sell and deliver to LICENSOR Licensed Products, Light Valve Film or components thereof at LICENSEE's lowest price given to any third party (including affiliates of LICENSEE), provided, however that if LICENSOR has refused to sell Light Valve Film to any Authorized User which has requested it at prevailing market prices, then upon LICENSOR's request, LICENSEE shall thereafter sell Light Valve Film to LICENSOR for resale at LICENSEE's direct cost of manufacture without markup or overhead. LICENSEE acknowledges that LICENSOR and its present and/or future licensees (or entities who have been granted the option of entering into license agreements with LICENSOR) may independently manufacture (or have third parties manufacture for them) and sell Light Valve Film or SPD Emulsions under the terms of agreements between them and LICENSOR, or may independently manufacture and sell Light Valve Film or SPD Emulsions which LICENSOR produces, or has produced on its behalf. Nothing contained in this Agreement shall impose any obligation on LICENSOR or any other parties to purchase any SPD Emulsions or Light Valve Film from LICENSEE. Notwithstanding anything contained herein to the contrary, during the term of this Agreement LICENSOR may provide Licensed Products, SPD Emulsions and Light Valve Film obtained by LICENSOR pursuant to this Section 4.2 to third parties so long as LICENSOR does not receive from the recipient for the provision of such Licensed Products, SPD Emulsions or Light Valve Film any monetary payment in excess of LICENSOR's purchase price plus shipping, administrative, overhead and related costs to such recipient. .

4.3 Compliance. LICENSEE agrees that, without limitation, any manufacture, sale, lease, use or other disposition of Licensed Products, SPD Emulsions or Light Valve Film that is not in strict accordance with (1) the provisions of this Agreement, (2) restrictions on the type of product, or the territory in which such product may be, made, used, sold or otherwise disposed of by or for an Authorized User, or other provisions or restrictions, which are contained in any other agreement in force between LICENSOR and an Authorized User which is known to LICENSEE which relates to Light Valves, SPD Emulsions or Light Valve Film, or (3) with the provisions of any other agreement then in force to which LICENSEE is a party and which relates to Light Valves, SPD Emulsions or Light Valve Film, that is not in strict accordance with the provisions of this Agreement shall be deemed a material breach of this Agreement.

4.4 End Users. LICENSEE agrees to require all direct recipients of Licensed Products, SPD Emulsions and Light Valve Film to whom Licensed Products, SPD Emulsions or Light Valve Film is sold, leased, or otherwise disposed of by LICENSEE or its sublicensees, to look only to LICENSEE and not to LICENSOR or its affiliates for any claims, warranties, or liability relating to such Licensed Products, SPD Emulsions or Light Valve Film. LICENSEE agrees to take all steps to reasonably assure itself that Licensed Products, SPD Emulsions and Light Valve Film sold, leased or otherwise disposed of by or for LICENSEE is being used for permitted application and territory only. If a party which is not then listed on Schedule B hereto wishes to obtain samples of SPD Emulsions or Light Valve Film or to purchase SPD Emulsions or Light Valve Film from LICENSEE, LICENSEE shall notify LICENSOR and shall refer such party to LICENSOR. If such party enters into a suitable agreement with LICENSOR, LICENSOR shall inform LICENSEE whether such party may then obtain samples or purchase SPD Emulsions or Light Valve Film from LICENSEE.

4.5 Laws and Regulations. LICENSEE agrees that it shall be solely responsible for complying with all laws and regulations affecting the manufacture, use and sale or other disposition of Licensed Products, SPD Emulsions and Light Valve Film by LICENSEE and its sublicensees, and for obtaining all approvals necessary from governmental agencies and other entities. LICENSEE agrees to maintain a file of all such approvals and to send LICENSOR a copy of all such approvals (including English translations thereof in the case of approvals required by any foreign country) within 10 business days of any written request for such copies by LICENSOR. LICENSEE represents and warrants to LICENSOR that no approval from any governmental agency or ministry, or from any third party, is required to effectuate the terms of this Agreement or the transactions contemplated hereby.

4.6 Purchase of Components from Others. By virtue of the disclosure of Technical Information, other information, and training, if any, provided from time to time by LICENSOR to LICENSEE and to its other licensees, and each of their sublicensees and affiliates, any component used to manufacture a Light Valve, including, without limitation, materials, suspensions, films, polymers, coatings, particle precursors, and particles (each, a "Component"), which LICENSEE or its sublicensees makes, has made for it, or purchases

from any third party for use in Licensed Products, SPD Emulsions or Light Valve Film shall be deemed to have been manufactured at least in part using the Technical Information provided by LICENSOR if LICENSEE or any supplier of a Component to LICENSEE has had access to Technical Information of any kind of LICENSOR or its licensees and their sublicensees, consultants, subcontractors, agents or representatives. LICENSEE and its sublicensees each hereby agrees that (i) all Components shall be used only in strict accordance with the provisions of this Agreement, and that such Components may not be used for any other purpose or resold by LICENSEE or its sublicensees except as specifically permitted by the license granted in Section 2.1 hereof, and (ii) LICENSEE and its sublicensees will only look to the manufacturer or supplier of such Component or other item used by LICENSEE or its sublicensees and not to LICENSOR or its affiliates for any claims, warranties, or liability relating to such Component or other item. LICENSEE acknowledges that LICENSOR has not made any representations or warranties regarding the availability of any Component, or the price thereof, and that in all respects LICENSEE shall deal directly with the suppliers of such Components and will obtain from them information regarding availability, pricing, and/or other terms relating to such Components.

4.7 No Warranties by LICENSOR. LICENSOR does not represent or warrant the performance of any material, Component, or information provided hereunder, and LICENSEE expressly acknowledges and agrees that any such material, Component or information provided by LICENSOR hereunder is provided "AS IS" and that LICENSOR makes no warranty with respect thereto and DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED **WARRANTIES** OF MERCHANTABILITY AND FITNESS FOR AP ARTICULAR PURPOSE, WITH RESPECT THERETO, ITS USE OR ANY INABILITY TO USE IT, OR THE RESULTS OF ITS USE. Except for any breach of the terms of this Agreement, in no event shall LICENSOR be liable for any damages, whether in contract or tort (including negligence), including but not limited to direct, consequential, special, exemplary, incidental and indirect damages, arising out of or in connection with this Agreement or the use, the results of use, or the inability to use any Licensed Product, material, Component or information provided hereunder.

4.8 Analysis. LICENSEE represents and agrees that it will only incorporate Components received from authorized suppliers into Licensed Products, SPD Emulsions and Light Valve Film and for no other purpose, and that LICENSEE will not directly or indirectly attempt to reverse engineer any material provided to it hereunder by LICENSOR or any supplier of any Component.

4.9 Personnel. LICENSEE agrees to assign personnel from its technical staff which shall be responsible for the development of Licensed Products, SPD Emulsions and Light Valve Film during the term of this Agreement.

4.10 Promotional Activities. LICENSEE agrees that it shall maintain, either at its own facilities or that of any laminating subcontractor selected by LICENSEE, adequate inventories of SPD light control film purchased from any authorized supplier of Light Valve film to meet on a timely basis the anticipated requirements of LICENSEE for incorporation into Licensed Products during the term of this Agreement. In addition, LICENSEE shall promptly develop and maintain a web site relating to its business which prominently features LICENSOR's SPD technology, properly· designated as such, arid LICENSEE's relationship to LICENSOR, and shall participate at LICENSEE's sole discretion (consistent with its obligations contained in this Section 4.10) at industry trade shows and conferences, join standards and professional industry associations specified by LICENSOR, and/or engage in other marketing and promotional activities reasonably deemed necessary by the LICENSEE to promote LICENSOR's SPD technology and LICENSEE's business relating thereto.

4.11 No other obligations. LICENSEE and LICENSOR have no other obligations to each other except as expressly provided in this Agreement.

5 TRADEMARKS.

5.1 Trademarks. All trademarks or service marks that either party may adopt and use for SPD Emulsions, Light Valve Film, Licensed Products or other products incorporating Light Valves are and shall remain the exclusive property of the adopting party, and the other party shall not obtain any rights and license to such marks under this Agreement, but may inform others that the adopting party has licensed or produced SPD Emulsions, Light Valve Film, Licensed Products or products incorporating Light Valves under such mark or marks, and may use the adopting party's logo in connection therewith. LICENSOR may require LICENSEE or its permitted sublicensees to indicate on packaging that such product is licensed from Research Frontiers Incorporated or to otherwise include language and/or designations approved by LICENSOR indicating an affiliation with Research Frontiers Incorporated.

6 INSURANCE AND INDEMNIFICATION.

6.1 Insurance. LICENSEE shall maintain at all times ample product liability and other liability insurance covering its operations relating to the subject matter of this Agreement and shall name LICENSOR as an additional insured. Upon request, LICENSEE shall provide LICENSOR with evidence of such insurance.

6.2 Indemnification. LICENSEE, and its affiliates, successors and assigns and sublicensees (each, an "Indemnifying Party"), each hereby indemnify and agree to hold harmless LICENSOR and its shareholders, officers, directors, agents and employees (each, an "Indemnified Party"), against any liability, damage, loss, fine, penalty, claim, cost or expense (including reasonable costs of investigation and settlement and attorneys', accountants' and other experts' fees and expenses) arising out of any action or inaction by any Indemnifying Party relating to this Agreement including an Indemnifying Party's manufacture, sale, use, lease or other disposition of SPD Emulsions, Light Valve Film, and Licensed Products, and related materials or other use of the information and rights granted hereunder. Any knowledge of LICENSEE's or its sublicensee's activities by LICENSOR or its representatives shall in no way impose any liability on LICENSOR or reduce the responsibilities of LICENSEE hereunder or relieve it from any of its obligations and warranties under this Agreement.

7 **FUTURE PATENTS.**

7.1 Future Patents. Each party, at its cost, shall have the right to file patent applications in the United States and in foreign countries covering any invention made by such party.

7.2 Improvements and Modifications. (a) Any improvements or modifications which are invented or developed by or on behalf of LICENSOR prior to the Effective Date of this Agreement which relate in any way to or are useful in the design, operation, manufacture and assembly of SPD Emulsions and/or Light Valve Film or Licensed Products shall be included in the rights and licenses granted pursuant to Section 2.1 hereof, and any patents and/or patent applications relating thereto shall be included on Schedule A hereof.

(b) Any future improvements or modifications invented or developed by or on behalf of LICENSEE, LICENSEE's sublicensees and LICENSOR (other than as specifically described in Sections 7.2(a)) after the Effective Date of this Agreement, if any, which relate in any way to or are useful in the design, operation, manufacture and assembly of Licensed Products, SPD Emulsions, Light Valve Film and/or to the suspensions or other components used or usable in Licensed Products, SPD Emulsions and/or Light Valve Film shall not be included in this Agreement and, unless otherwise agreed as provided herein, each party which improved or modified such, shall retain its applicable rights to such. Upon written request by the non-inventing party, LICENSOR and LICENSEE shall negotiate with each other regarding the grant of nonexclusive rights and licenses to use such improvements and modifications, but neither party shall be obligated to grant such rights and licenses to one another. Notwithstanding anything contained herein to the contrary, each of the LICENSOR and the LICENSEE shall have the right to use, license and sublicense any improvement, modification or invention which is jointly developed by LICENSEE or its officers, directors, employees, affiliates, contractors, or consultants, on the one hand, and LICENSOR or its officers, directors, employees, affiliates, contractors or consultants, on the other hand.

(c) During the term of this Agreement LICENSEE agrees to inform LICENSOR in writing (without any obligation to reveal details which would be confidential information), at least as frequently as once a year in January of each calendar year, if any technology or improvements or modifications thereto has been developed by or for LICENSEE which would be useful for use in conjunction with Light Valves or Licensed Products, and as to the general nature of any such technology or improvements and modifications.

(d) Notwithstanding the foregoing, LICENSOR may, but shall not be required to, voluntarily and without additional cost to LICENSEE disclose certain information relating to future improvements and modifications and license to LICENSEE rights in such certain future improvements and modifications, and any information so disclosed will be considered Technical Information which LICENSEE shall be obligated to keep confidential pursuant to Section 12.1 of this Agreement. In connection therewith, LICENSOR, may voluntarily add

patents and/or patent applications to Schedule A hereof. Any :improvements made by LICENSEE directly or indirectly arising out of any information provided by or on behalf of LICENSOR to LICENSEE or its designees shall be considered to be jointly developed by LICENSOR and the developing party, and LICENSEE shall promptly inform LICENSOR whether or not it has used or otherwise incorporated any such information or improvements. No disclosure of any information by LICENSOR shall in any way establish a course of dealing or otherwise require LICENSOR to make any future disclosure of information under this Agreement.

7.3 Foreign Patent Applications. During the term of this Agreement, LICENSEE shall have the right to designate that any patent application now or hereafter listed on or incorporated into Schedule A shall be filed or maintained in any foreign country included in the Licensed Territory. If so designated and if legally possible to do so, LICENSOR agrees to promptly file, prosecute and maintain such applications and resulting patents, and LICENSEE shall pay to LICENSOR the complete cost, including reasonable attorney's fees, to file, prosecute and maintain during the term of this Agreement any such patent application and resulting patents specifically so designated by LICENSEE.

8 TECHNOLOGY TRANSFER.

8.1. Documentation. Within thirty calendar days after the Effective Date of this Agreement, LICENSOR shall furnish LICENSEE with all Technical Information owned or controlled by LICENSOR, which is reasonably necessary or desirable in order for LICENSEE to manufacture SPD Emulsions, Light Valve Film and Licensed Products. Such Technical Information, which relates to experimental products, shall include, without limitation thereto (1) a document entitled Handbook of Technical Information Relating to Variable Density Optical Devices Incorporating an Activatable Material which contains confidential and proprietary information of LICENSOR relating to the materials, specifications, formulation, manufacturing method and manufacturing equipment relating to SPD Emulsions, Light Valve Film and Licensed Products, and (2) photocopies of all U.S. Patents and patent applications relating to SPD Emulsions, Light Valve Film and Licensed Products owned or controlled by LICENSOR as of the Effective Date of this Agreement. LICENSOR shall not be obligated hereunder to furnish copies of LICENSOR' s foreign patents and patent applications, but will furnish a list thereof in Schedule A hereto.

8.2 Training. LICENSEE's technically skilled personnel designated by LICENSEE (with travel and living expenses paid by LICENSEE) shall make at the sole discretion of the LICENSEE (consistent with its obligations under this License Agreement), one or more visits for training relating to the manufacture of SPD Emulsions, Light Valve Film, and Licensed Products and to inspect LICENSOR's research and development facilities relating to SPD Emulsions, Light Valve Film and Licensed Products. The visits of employees of LICENSEE to LICENSOR's facility shall be carried out within the six-month period commencing with the Effective Date of this Agreement, and shall not exceed 200 man-hours during such period. To assist LICENSEE's employees while they are at LICENSOR's facility, LICENSOR's technical staff shall provide up to 200 man-hours assistance during such period at no additional cost to LICENSEE. Additionally, there shall be no cost to LICENSEE for materials used for training during the initial training at LICENSOR's facility.

8.3 Materials and Additional Training. Upon request by LICENSEE, and to the extent LICENSOR deems appropriate, during the term of this Agreement and when mutually convenient to LICENSOR and LICENSEE, LICENSOR shall supply LICENSEE with additional training in LICENSOR's or LICENSEE's facility and with small quantities of materials related to SPD Emulsions for experimental use only by LICENSEE, and shall charge LICENSEE $[***] per man/day plus the cost of any other materials used in providing such training or making such materials, plus the cost of shipping such materials to LICENSEE. Upon request by LICENSEE, during the term of this Agreement and when mutually convenient to LICENSOR and LICENSEE, LICENSOR may make its personnel available to consult with LICENSEE and its contractors, with compensation to LICENSOR for such consultation to be mutually agreed to by LICENSOR and LICENSEE, and if no such agreement has been reached, at the rate specified in this first sentence of this Section 8.1. Each invoice submitted by LICENSOR for such service shall include detailed explanations of the charges, and, if requested by LICENSEE, copies of receipts. The parties acknowledge that LICENSOR has no obligation to transfer to LICENSEE any Technical Information other than as may be physically embodied in such sample materials, and that, other than sample materials, if any, that may be supplied by LICENSOR as aforesaid, LICENSEE will be acquiring materials from authorized suppliers other than LICENSOR.

8.4 Inquiries. LICENSEE and LICENSOR may also at any time during the term of this Agreement make reasonable inquiry by telephone, facsimile, email or mail to one another in regard to any information or data furnished by LICENSOR to LICENSEE pursuant to this Agreement.

8.5 Visits. If a party supplies the other with any materials or information, and also during all visits by either party to the facilities of the other party, visitors shall comply with all reasonable rules of the host company, and each party to this Agreement will indemnify and hold the other party harmless from any liability, claim or loss whatsoever(i) for any injury to, or, death of, any of its employees or agents while such persons are present at the facility of the other party or working with any such materials or information; and (ii) for any damages to its own property or to the property of any such employee or agent which may occur during the presence of any such person at the facility of the other party, or while working with any such materials or information, regardless of how such damage occurs.

8.6 Sole Purpose. Any documentation or information supplied pursuant to this Agreement by either party to the other shall be used solely for the purposes set forth in this Agreement.

9 INTELLECTUAL PROPERTY PROTECTION RESPONSIBILITIES.

9.1 Proprietary Rights: Notices. Each party shall provide appropriate notices of patents, or other similar notice of the patent rights of the other party on all products utilizing the patented inventions of the other party. Either party may add its own patent notice to any copy or embodiment which contains its patented inventions.

9.2 LICENSOR Exclusive Owner. LICENSEE hereby acknowledges LICENSOR as purporting to be the sole and exclusive owner of the patents and patent applications listed on Schedule A, and that, except for the rights granted hereunder, LICENSEE shall not have any rights or attempt to assert any ownership rights in and to those patents and patent applications.

10 TERM AND TERMINATION.

10.1 Term. The term of this Agreement shall extend from the Effective Date of this Agreement to the date of termination of this Agreement. Unless sooner terminated or extended, as herein provided for below, this Agreement shall terminate upon the expiration of the later of (A) the last to expire of the patents now or hereafter listed in Schedule A hereof, and (B) the expiration of the period in which LICENSEE is obligated to maintain confidential Technical Information of LICENSOR pursuant to Section 12.1 hereof.

10.2 Termination by LICENSEE. LICENSEE may terminate this Agreement effective as of December 31, 2022 or as of any anniversary thereof by giving LICENSOR prior notice thereof unless sooner terminated as hereinafter provided. Such notice shall be made in writing and shall be given between 60 and 90 days prior to the effective date for which such termination is to be effective. Notwithstanding anything else contained in this Agreement to the contrary, no notice of termination by LICENSEE shall be effective on the date given unless such notice shall also be accompanied by a payment of all amounts due and owing by LICENSEE to LICENSOR under this Agreement or otherwise at the time such notice is given, and all additional unpaid amounts due as of the effective date of termination shall be paid as of the effective date of such termination. No acceptance of payment by LICENSOR shall be deemed to be an acknowledgment by LICENSOR that the provisions of this Section 10.2 have been complied with, or prejudice any rights that LICENSOR may otherwise have under this Agreement. If LICENSEE decides to terminate this Agreement for any reason, LICENSEE shall provide LICENSOR, along with the aforementioned notice of termination, with a written report describing the reasons for such termination.

10.3 Termination by LICENSOR. LICENSOR may terminate this Agreement at any time effective as of December 31, 2022 or as of any anniversary thereof upon at least 30 days' notice to LICENSEE for any reason, provided, however, that LICENSOR shall give LICENSEE at least one years' notice of any early termination under this Section 10.3 if LICENSEE is producing and selling Licensed Products, SPD Emulsions or Light Valve Film hereunder. Notwithstanding the foregoing, LICENSOR may terminate this Agreement at any time upon at least 30 days' notice to LICENSEE if LICENSEE shall have failed to make any payment when due or at any time breach any material term of this Agreement and such

payment is not made or such breach is not cured within any applicable cure period specified in Article 11 of this Agreement, or LICENSEE repeatedly has provided inaccurate reports hereunder, or if there has been a cessation by LICENSEE of general operations or of work related to SPD Emulsions, Light Valve Film or Licensed Products.

10.4 Effect of Termination. If this Agreement expires or is terminated for any reason whatsoever, in addition to any other remedies which one party may have against the other: (1) all of LICENSEE's rights. and licenses under this Agreement shall cease, and LICENSEE shall immediately return to LICENSOR all Technical Information :furnished to LICENSEE under this Agreement, together with all reproductions, copies and summaries thereof; *provided, however,* that LICENSEE may retain solely for archival purposes one copy of all such documents in its legal department files, (2) at LICENSOR's option, LICENSEE shall, within 30 days of the date of such termination or expiration, either (A) sell and deliver to LICENSOR at LICENSEE's direct cost of manufacture any SPD Emulsions, Light Valve Film or Licensed Products which shall then be in the possession of LICENSEE, and, if requested by LICENSOR, LICENSEE shall finish and deliver to LICENSOR any SPD Emulsions, Light Valve Film or Licensed Products in the process of manufacture as soon as possible and, in any case, not later than 30 days after receiving LICENSOR's request, and/or (B) with respect to any unsold inventory and work in the process of manufacture, to complete such work in process and sell any remaining inventory during the period not to exceed six months from the date of termination or expiration of this Agreement provided that at the completion of such six-month period, LICENSEE shall promptly destroy and dispose of any SPD Emulsions, Light Valve Film (and SPD Emulsions and Light Valve Film in the process of manufacture) and Licensed Products not sold under this Section l 0.4 and (3) if this Agreement is terminated for any reason or expires, upon such termination or expiration, LICENSEE hereby grants to LICENSOR a nonexclusive, royalty-free, irrevocable, worldwide license with the right to grant sublicenses to others to utilize all technical information, improvements and/or modifications (whether or not the subject of patents or pending patent applications) developed or invented by or on behalf of LICENSEE and/or its sublicensees, subcontractors, or agents hereunder through the date of such termination or expiration of this Agreement relating to Light Valves, or Licensed Products, Light Valve Film or SPD Emulsions which relate to or arise out of Technical Information disclosed by LICENSOR to LICENSEE, and upon such termination or expiration, LICENSEE shall provide LICENSOR in reasonable detail complete information regarding such technical information, improvements and/or modifications. The foregoing license shall be self effectuating, but LICENSEE agrees upon written notice by LICENSOR at any time hereafter to deliver to LICENSOR within 30 days of such notice any document or other instrument reasonably requested by LICENSOR to convey such license rights to LICENSOR such as, by way of example, confirmations or instruments of conveyance or assignment. No termination of this Agreement by expiration or otherwise shall release LICENSEE or LICENSOR from any of its continuing obligations hereunder, if any, or limit, in any way any other remedy one party may have against the other party. Notwithstanding the foregoing, LICENSEE's obligations to LICENSOR under Sections 3.1, 3.4, 3.5, 4.6, 4.7, 4.8, 6.1, 6.2, 7.2, 8.5, 10.2, 10.4, 12.1, and Articles 13 and 14 shall survive any termination or expiration of this Agreement.

11 EVENTS OF DEFAULT AND REMEDIES.

11.1 Events of Default. Each of the following events shall constitute an "Event of Default" under this Agreement:

11.1.1 (a) A party's failure to make any payment when due in a timely manner or a party's material breach or material failure to punctually perform any of its duties and obligations under this Agreement, which material breach or failure, if curable, remains uncured for thirty (30) days after written notice of such breach or failure is received by the breaching party; or (b) a material misrepresentation is made by a party in any representation or warranty contained in this Agreement and the misrepresented facts or circumstances, if curable, remain uncured thirty (30) days after written notice of such misrepresentation is received by the breaching party; and, in either case, if such breach or misrepresentation is not curable, termination shall occur thirty (30) days after such misrepresentation or breach at the option of the non-breaching party; or

11.1.2 The failure by a party upon request to provide the other party with adequate assurances of its performance of all obligations under this Agreement upon: (a) such first party's filing of a voluntary petition in bankruptcy; (b) the filing of any involuntary petition to have such first party declared bankrupt which has not-been dismissed within ninety (90) days of its filing; (c) the appointment of a receiver or trustee for such first party which has not been rescinded within ninety (90) days of the date of such appointment; or (d) such first party otherwise becoming insolvent or otherwise making an assignment for the benefit of creditors.

11.2 Default by a Party. If there occurs an Event of Default with respect to a party, the other party may:

(a) seek damages; and/or

(b) seek an injunction or an order for mandatory or specific performance; and/or

(c) terminate this Agreement d the licenses granted to LICENSEE hereunder whereupon the non-defaulting party shall have no further obligations under this Agreement except those which expressly survive termination, and except with respect to royalty payments due and owing to LICENSOR as of the termination date or any subsequent period specified in Section 10.4.

12 CONFIDENTIALITY.

12.1 Confidential Information. (a) LICENSEE agrees for itself, its sublicensees, and their employees and agents that for twenty (20) years from the later of the Effective Date of this Agreement or the latest date of its receipt of information disclosed to LICENSEE by LICENSOR pursuant to this Agreement, such information shall be held in confidence; provided, *however,* there shall be no obligation to treat as confidential information which is or becomes available to the public other than through a breach of this obligation, or which was already possessed by LICENSEE in writing (or otherwise provable to be in the possession of LICENSEE) prior to the Effective Date of this Agreement (and was not received from LICENSOR) or which is shown by LICENSEE to have been received by it from a third party who had the legal right to so disclose it without restrictions and without breach of any agreement with LICENSOR or its licensees. The burden of proving the availability of any exception of confidentiality shall be on the LICENSEE. LICENSOR shall affix an appropriate legend on all written documentation given to LICENSEE which contains confidential information, but the failure to so affix such legend shall not affect the confidential nature of such information. LICENSEE acknowledges that the list of patent · applications contained on Schedule A is confidential information of LICENSOR. Other than for the oral information conveyed during the training conducted pursuant to Sections 8.2 and 8.3 hereof, if any, all of which shall be deemed to be confidential information, if confidential information is otherwise conveyed orally by LICENSOR after training has been completed, LICENSOR shall specify to LICENSEE at the time such information is being conveyed (or in a subsequent letter referring to the conversation) that the information conveyed is confidential. It is understood and agreed that, unless otherwise provided in a separate agreement between . LICENSEE and LICENSOR, LICENSEE has no obligation hereunder to provide LICENSOR with any confidential or proprietary information, and that LICENSOR shall have no obligation hereunder to LICENSEE to maintain in confidence or refrain from commercial or other use of any information which LICENSOR is or becomes aware of under this Agreement. The terms and provisions of this Agreement or any other agreement between the parties shall not be considered confidential except that LICENSEE may not disclose the minimum annual royalty payments specified in Article 3 hereof without LICENSOR's prior written consent and the parties hereto acknowledge that, pursuant to the Securities Exchange Act of 1934, as amended, and the regulations promulgated thereunder, LICENSOR may file copies of this Agreement with the Securities and Exchange Commission and with NASDAQ and with any other stock exchange on which LICENSOR's securities may be listed. LICENSEE agrees that for the period of time during which LICENSEE is obligated to keep information confidential hereunder, LICENSEE will not make, use, sell, lease or otherwise dispose of products using or directly or indirectly derived from confidential information or sample materials supplied to LICENSEE by LICENSOR or its licensees, sublicensees, or any of their affiliates relating to Light Valve Film, SPD Emulsions, Licensed Products, or Light Valves or which otherwise comprise suspended particles, which when subjected to a suitable electric or magnetic field, orient to produce a change in the optical characteristics of the suspension ("SPD Technology") unless an agreement between LICENSOR and LICENSEE permitting it to do so is in full force and effect and the royalties, if any, provided in such agreement are being paid to :tICENSOR on such products. The foregoing restriction shall not apply to products (i) which do not directly or indirectly incorporate SPD Technology, such as, but not limited to, liquid crystal devices, or electrochromic devices, or similar technology, or (ii) which incorporate technology involving suspended particles, which when subjected to a suitable electric or magnetic field, orient to produce a change in the optical characteristics of the suspension but which is independently developed and which is not in any way directly or indirectly derived from any Technical Information of LICENSOR or its licensees, sublicensees, or any of their affiliates. LICENSEE shall have the burden of proving by clear and convincing evidence that the availability of any exception of confidentiality exists or that the foregoing restrictions do not apply to a particular product. Nothing contained in this section, however, shall be construed as granting LICENSEE any rights or licenses with respect to any Technical Information or patents of LICENSOR or its other licensees or their sublicensees.

(b) LICENSEE will have the right to provide materials to, and to disclose information of LICENSOR to a subcontractor relating to this Agreement; provided, however, that LICENSEE shall only disclose such information_as is strictly necessary to enable said subcontractor to perform its manufacturing task, and provided that prior to disclosing any information to said subcontractor, said subcontractor has signed a secrecy agreement with LICENSEE at least as protective of LICENSOR's Technical information as the provisions of

this Agreement, including, without limitation, said subcontractor's specific agreement to be bound by the provisions of Section 12.1 hereof to the same extent as LICENSEE. For such purposes, LICENSEE may develop a standard form of secrecy agreement for LICENSOR's approval, after which LICENSEE may use such secrecy agreement with all subcontractors without LICENSOR's prior approval of the secrecy agreement being necessary. LICENSEE shall have all subcontractors sign said secrecy agreement prior to the disclosure of Technical Information to said subcontractor, and LICENSEE shall send LICENSOR a copy of every such secrecy agreement within thirty (30) days after the execution thereof.

13 WARRANTIES AND REPRESENTATIONS.

13.1 Reciprocal Representations. Each party represents and warrants to the other that:

13.1.1 Valid Agreement. The execution and delivery of this Agreement by the officer or representative so doing, and the consummation of the transactions contemplated hereby, have been duly authorized by all necessary corporate action by LICENSOR and LICENSEE and this Agreement is a valid and binding obligation enforceable against the parties in accordance with its terms, except to the extent limited by bankruptcy, insolvency, moratorium and other laws of general application relating to general equitable principles;

13.1.2 No Conflicts. Nothing herein conflicts with its rights and obligations pursuant to any agreement by a party and any other entity; and

13.1.3 Publicity. The parties shall have the right to use non-confidential information, including but not limited to information concerning this Agreement, a description of the other party, and its logos for marketing, sales, technical assistance, investor relations, disclosure and public relations purposes, and that information permitted to be disclosed by a party under this Section 13.1.3 may appear on such party's (or its subsidiaries' or sublicensees') Internet web site, along with links to the Internet web sites, and specific pages therefrom, of the other party and its subsidiaries and sublicensees.

13.2 LICENSOR Representations. LICENSOR represents and warrants, for the benefit of LICENSEE, that:

13.2.1 Title. As of the date hereof, LICENSOR represents and warrants that it has the right to convey the rights and licenses granted by this Agreement, and otherwise to perform its obligations under this Agreement. LICENSOR has caused its employees who are employed to do research, development, or other inventive work to disclose to it any invention or information within the scope of this Agreement and to assign to it rights in such inventions and information in order that LICENSEE shall receive, by virtue of this Agreement, the licenses granted to it under Section

2.1 hereof.

13.2.2 Infringement. As of the date hereof, LICENSOR is not aware of any claim for patent infringement or the misappropriation of trade secrets, being asserted against it by any third party; or of any infringement of the patents listed on Schedule A hereto by any entity.

13.2.3 Patents in Force. To the best of LICENSOR's knowledge, all of the patents listed on Schedule A hereto are currently in force.

13.3 No Warranty. LICENSOR and LICENSEE make no guaranty or warranty to one another under this Agreement (a) that LICENSEE will be able to develop, manufacture, sell or otherwise commercialize SPD Emulsions, Light Valve Film, or Licensed Products, or (b) as to the validity of any patent.

14 MISCELLANEOUS.

14.1 Applicable Law. This Agreement shall be interpreted, construed, governed and enforced in accordance with and governed by the laws of the State of New York, and LICENSOR and LICENSEE hereby submit to the exclusive jurisdiction of the state or federal courts located in the County of Nassau and State of New York for such purposes.

14.2 Confidentiality In Court Proceeding. In order to protect and preserve the confidential information of a party which the parties recognize may be exchanged pursuant to the provisions of this Agreement, the disclosing party may request, and the receiving party shall not oppose, the court in any action relating to this Agreement to enter a protective order to protect information which is confidential information under Section 12.1 and to seal the record in the action orto hold the proceedings, or portion of the proceedings, in camera; provided, that the requested terms do not prejudice the receiving party's interests. Nothing, however, shall preclude either party from thereafter moving to unseal its own records or to have matter and information designated as confidential under any relevant protective order designated otherwise in accordance with the circumstances as they shall appear at that time.

14.3 Severability. If any provision of this Agreement is declared or found to be illegal, unenforceable or void, the parties shall negotiate in good faith to agree upon a substitute provision that is legal and enforceable and is as nearly as possible consistent with the intentions underlying the original provision. If the remainder of this Agreement is not materially affected by such declaration or finding and is capable of substantial performance, then the remainder shall be enforced to the extent permitted by law.

14.4 Waiver. Unless agreed to by the parties in writing to the contrary, the failure of either party to insist in any one or more instances upon the strict performance of any one or more of the provisions of this Agreement, or to exercise any right contained in this Agreement or provided by law, shall not constitute or be construed as a waiver or relinquishment of the performance of such provision or right or the right subsequently to demand such strict performance or exercise of such right, and the rights and obligations of the parties shall continue unchanged and remain in full force and effect.

14.5 Captions. The captions and headings in this Agreement are inserted for convenience and reference only and in no way define or limit the scope or content of this Agreement and shall not affect the interpretation of its provisions.

14.6 Assignment. This Agreement shall be binding on and shall inure to the benefit of the parties and their successors and assigns. However, LICENSEE agrees that it shall not assign this Agreement or its rights hereunder without the prior written consent of LICENSOR except to a successor to substantially all of its business relating to Light Valves and whose obligations hereunder are guaranteed to LICENSOR by LICENSEE. LICENSOR may assign all of its rights and obligations hereunder to any successor to any of its business interests or to any company controlling or controlled by LICENSOR. All assignees shall expressly assume in writing the performance of all the terms and conditions of this Agreement to be performed by the assigning party, and an originally signed instrument of such assumption and assignment shall be delivered to the non-assigning party within 30 days of the execution of such instrument.

14.7 Schedules. All Schedules attached to this Agreement shall be deemed to be a part of this Agreement as if set forth fully in this Agreement.

14.8 Entire Agreement. This Agreement constitutes the entire understanding and agreement between LICENSOR and LICENSEE with respect to the subject matter hereof, supersedes all prior agreements, proposals, understandings, letters of intent, negotiations and discussions with respect to the subject matter hereof and can be modified, amended, supplemented or changed only by an agreement in writing which makes sp cific reference to this Agreement and which is executed in writing by the parties; *provided, however,* that either party may unilaterally waive in writing any provision imposing an obligation on the other.

14.9 Notices. Any notice required or permitted to be given or made in this Agreement shall be in writing and shall be deemed given on the earliest of (i) actual receipt, irrespective of method of delivery, (ii) on the delivery day following dispatch if sent by express mail (or similar next day courier service), or (iii) on the sixth day after mailing by registered or certified air mail, return receipt requested, postage prepaid and addressed as follows:

LICENSOR: Joseph M. Harary, President and Chief Executive Officer
Research Frontiers Incorporated
240 Crossways Park Drive
Woodbury, New York 11797-2033 USA
Facsimile: (516) 364-3798
Telephone: (516) 364-1902

LICENSEE: Eyal Peso, Chief Executive Officer Gauzy Ltd.
14 Hathiya Street
Tel-Aviv Yafo ISRAEL 6816914
Facsimile: +972-72-2500386
Telephone: +972-72-2500385

or to such substitute addresses and persons as a party may designate to the other from time to time by written notice in accordance with this provision.

14.10 Bankruptcy Code. In the event that either party should file a petition under the federal bankruptcy laws, or that an involuntary petition shall be filed against such party, the parties intend that the non-filing party shall be protected in the continued enjoyment of its rights hereunder to the maximum feasible extent including, without limitation, if it so elects, the protection conferred upon licensees under section 365(n) of Title 17 of the U.S. Code. Each party agrees that it will give the other party immediate notice of the filing of any voluntary or involuntary petition under the federal bankruptcy laws.

14.11 Construction. This Agreement and the exhibits hereto have been drafted jointly by the parties and in the event of any ambiguities in the language hereof, there shall no be inference drawn in favor or against either party.

14.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

14.13 Status of the Parties. The status of the parties under this Agreement shall be solely that of independent contractors. No party shall have the right to enter into any agreements on behalf of the other party nor shall it represent to any person that it has such right or authority.

The parties, through their duly authorized representatives, and intending to be legally bound, have executed this Agreement, as of the date and year first above written, whereupon it became effective in accordance with its terms.

RESEARCH FRONTIERS INCORPORATED

By: /s/ Joseph M. Harary
President and Chief Executive Officer
Date: September 30, 2017

GAUZY LTD.

By: /s/ Eyal Peso
Chief Executive Officer
Date: September 30, 2017

Exhibit 10.9

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

September 7, 2018

Gauzy Ltd.
14 Hathiya Street
Tel-Aviv Yafo, Israel 6816914
Attention: Eyal Peso, Chief Executive Officer

Dear Eyal,

This letter sets forth our agreement as to restrictions on further licensing rights to the manufacture and sale of Suspended Particle Device film protected under patent (**SPD Film**"), in accordance with the terms and conditions as more fully set forth herein. We acknowledge that the agreements and undertakings made by Research Frontiers herein shall serve as an additional inducement by you to enter into the Subscription Agreement with Research Frontiers for the subscription of common stock and warrants of Research Frontiers as set forth therein (the "**Subscription Agreement**"), and that your undertaking not to sell the common stock received by you pursuant to the Subscription Agreement during the lock-up period as set forth therein and herein, shall serve as an inducement for us to enter into the restrictions contained herein.

Research Frontiers licensed to Gauzy Ltd. ("**Gauzy**") under that License Agreement effective as of September 30, 2017 (the "**License Agreement**"), and has licensed to the entities listed on Annex A hereto (the "**Existing Film Licensees**"), in each case, the right to manufacture and sell, to Authorized Users (as defined in the License Agreement), SPD Film. Research Frontiers hereby agrees and undertakes that during the Restriction Period (as defined below) it shall not license, to any entity, the rights to manufacture and/or sell SPD Film, provided, however, if the license agreement with Hitachi Chemical Co., Ltd. ("**Hitachi**") expires or is terminated, or if they cease production of SPD film in commercial quantities, Research Frontiers may substitute a new company to replace Hitachi without consultation with Gauzy. In the event the Existing Licensees are not able to meet the production timetables, quantities, quality or performance characteristics of customers for SPD Film, Research Frontiers shall consult with Gauzy to address market needs and in the event Gauzy are unable to meet the required need, Research Frontier may substitute additional licensees to the extent necessary to meet all such market requirements.

For purposes of this Agreement, unless sooner terminated, the limitations and undertaking of Research Frontier set forth herein shall begin upon the date of this letter, and shall end on July 31, 2023 (the "**Restriction Period**"). Notwithstanding the foregoing, if by December 31, 2018, Gauzy has not begun manufacturing commercial grade and defect-free SPD Film which is available for sale to Authorized Users in rolls with widths of at least 1.2 meters (the "**Initial Manufacturing Requirements**"), then the Restriction Period shall be suspended (and Research Frontiers shall have the right to add additional licensees) until such time as Gauzy meets the Initial Manufacturing Requirements; provided however, if Gauzy makes a further standstill extension payment of $[***] to Research Frontiers on or before December 31, 2018, whereby the Restriction Period will remain in place until July 31, 2019.

If by July 31, 2019, (i) Gauzy has made the Additional Investment (as defined below); and (ii) Gauzy is producing and offering for sale SPD film (which does not use internal spacers) and sold in rolls at least 1.5 meters wide (the "**Additional Manufacturing Requirements**"), then the restrictions shall continue until the expiration of the Restriction Period (unless earlier terminated in accordance herewith). If Gauzy has made the Additional Investment but has yet to meet the Additional Manufacturing Requirements by July 31, 2019, then the Restriction Period shall be suspended (and Research Frontiers shall have the right to add additional licensees) until such time as Gauzy meets the Additional Manufacturing Requirements (whereby the Restriction Period shall be reinstated, provided, however, that if Research Frontier is in the process of negotiation with a new licensee (which negotiations can be reasonably demonstrated by Research Frontiers to have been ongoing during such suspension period) Research Frontier shall have a period of sixty (60) days after Research Frontiers has received written notice accompanied by supporting evidence reasonably satisfactory to Research Frontiers that Gauzy has met the Additional Manufacturing Requirements, to finalize a license agreement with such new licensee.

Gauzy shall use its commercially reasonable efforts such that the production of defect free SPD film for sale to Authorized Users that is at least 1.5 meters wide is a top R&D priority and shall devote necessary manpower and financial resources to achieved such.

After July 31, 2019, the Restriction Period shall end, and all restrictions on Research Frontiers shall terminate going forward, if any of the following conditions have not been, and where relevant continue to be, satisfied:

a. The budget for 2017 and 2018 outlined by Gauzy to Research Frontiers for its work to produce SPD Film has been approved by the board of directors of Gauzy. with funds set aside and sufficient capital allocated to accomplish Gauzy's objectives and obligations under the License Agreement, and it shall be a continuing condition for each calendar year beginning with 2019 that the budgets to produce SPD Film has been approved by the board of directors of Gauzy. with funds set aside and sufficient capital allocated to accomplish the Gauzy's objectives and obligations under the License Agreement;

b. Gauzy has implemented any necessary or desirable modifications to its current PDLC production line to efficiently produce for commercial sale SPD Film;

c. In addition to the $[***] equity investment made by Gauzy in September 2018, Gauzy has made at least another $[***] private direct equity investment in the common stock of Research Frontiers on or before July 31, 2019 on substantially the following terms (the "**Additional Investment**"): (i) Offering Price per share of common stock at the consolidated closing bid price for Company's common stock in effect on Nasdaq immediately before the date Gauzy is to consummate the Additional Investment (pursuant to a written exercise of the option by Gauzy) plus $[***], *provided*, *however*, that: (A) if such per share price is less than $[***], Gauzy shall pay a price of $[***] per share, and (B) if such per share price is more than $[***], Gauzy shall pay a price of $[***] per share; and (ii) One (1) Warrant to purchase one (1) share of common stock for every two (2) shares of common stock so purchased by Gauzy (with fractions of a warrant shall be rounded down to the nearest whole number). The exercise price of each Warrant shall equal to (A) [***]% of the Offering Price Per Share for the first year of the Warrant term, (B)[***]% of the Offering Price Per Share during the second year of the Warrant term, and (C) [***]% of the Offering Price Per Share starting with the third year of the Warrant term until the expiration of the Warrant term. The Warrant may be exercised, in whole or in part, during the five (5) year period commencing on the closing date of the purchase and shall not be exercisable for the first six months;

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d. Gauzy:

i. Offers the same or better warranty for SPD Film, and under the same conditions, as is currently provided by Gauzy for its PDLC film products, subject to specific warranty limitations based on the SPD Film technology;

ii. Provides customers with generally available lead times between order and shipment of SPD Film – Ex-Works (INCOTERMS 2010) – of twenty-one (21) business days (in Israel) or less;

iii. Maintains at least [***] ([***]) square meters of SPD Film in inventory at all times;

iv. Sells SPD Film for a price of [***] euros (€[***]) per square meter or less, with price reductions in such selling price of at least 5% per year starting on January 1, 2021 during the Restriction Period;

v. Uses commercially reasonable efforts to: (A) introduce other SPD Film products with various performance characteristics (e.g. difference coating thicknesses, durability and performance enhancements) to meet customer or market requirements, and (B) make it a top R&D priority and devote necessary manpower and financial resources to achieved a more neutral gray or black color in the off state of SPD film by January 1, 2020; and

vi. Continues to meet levels of customer service and responsiveness to Research Frontiers' customers and all Authorized Users of SPD Film that are at levels equal or superior to the levels of customer service and responsiveness in the SPD industry (isolated incidents of customer complaints shall not be included, and a breach of this provision shall only be in the event a continuous lack of the required level of customer service is shown). Gauzy shall provide Research Frontiers with any data reasonably requested by Research Frontiers regarding this requirement upon request by Research Frontier: (i) following a documented complaint by a Research Frontiers customer and/or an Authorized Users; or (ii) not more than once per quarter.

vii. Has not materially breached its obligations and/or undertakings set forth in the License Agreement and has made all payments due thereunder in a full and prompt manner.

viii. Has not sold, hypothecate, pledged or otherwise transferred or entered into any hedging transaction involving Research Frontiers stock.

Gauzy shall as soon as reasonably possible, provide Research Frontiers written notice of it meeting any of the manufacturing requirements or other milestones or conditions specified in this letter. In the event Gauzy is, or becomes, in non-compliance with any of such requirements, milestones, or conditions set forth above, Gauzy shall notify Research Frontiers of such non-compliance in writing along with the approximate date that such non-compliance occurred, and a general plan and timetable for curing such non-compliance. Gauzy shall have ninety (90) days, from the date that such non-compliance became known to Gauzy (provided that Gauzy has taken reasonable steps to monitor such compliance), to cure any such non-compliance. If following the aforementioned cure period Gauzy has not cured such non-compliance, Research Frontiers shall have the right to terminate the Restriction Period by sending Gauzy a written notice that the Restriction Period has ended. Gauzy shall provide, where reasonably possible, Research Frontiers any supporting documentation requested to verify the cure of such non-compliance.

Notwithstanding anything contained in this or any other agreement between Research Frontiers and Gauzy to the contrary, Gauzy may pay the subscription funds for its initial $[***] million investment in Research Frontiers pursuant to the Subscription Agreement by September 30, 2018, provided however that if such amount is not fully paid to Research Frontiers on or before October 15, 2018, the Restriction Period shall be suspended until such time as Gauzy makes such payment, and the unpaid amount shall bear interest at a rate of [***]% per annum commencing on October 15, 2018. Nothing in this paragraph shall relieve Gauzy of its obligation to pay such subscription funds, and Gauzy agrees that it will immediately pay such subscription funds and any interest thereon as soon as they become available, and in any event out of the proceeds of any investment made by third parties into Gauzy.

In the event, Gauzy decides to stop production of SPD Film, it shall provide Research Frontiers with at least one (1) year's written notice before stopping production, and the Restriction Period shall end upon the date of such notice by Gauzy.

The License Agreement is hereby amended as follows: (i) the references to "December 31, 2022" in Sections 10.2 and 10.3 of the License Agreement shall be replaced with "December 31, 2023"; (ii) Section 10.3 shall be amended such that Research Frontiers may not exercise its right to terminate the License Agreement, other than in the event of a material breach thereof by Gauzy or Gauzy's failure to make any payment when due. In the event Gauzy has ceased general operations or ceased work relating to SPD Film, Research Frontier's right to termination for convenience shall be reinstated as of December 31, 2023; and (iii) Schedule C shall be amended such that the reference to October 15, 2017 in Paragraph 1 shall be replaced with October 15, 2018.

The parties agree that upon Gauzy meeting the Initial Manufacturing Requirements they shall issue a joint press release (approved by both parties) announcing the collaboration between them.

This Letter Agreement shall be governed by and construed in accordance with the laws of the State of New York, excluding the body of law pertaining to conflict of law.

Any dispute arising out of or in connection with this letter, including, any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the rules of the International Chamber of Commerce, which rules are deemed to be incorporated by reference into this provision. The number of arbitrators shall be three (3) (the "**Arbitration Tribunal**"). The seat, or legal place, and venue of arbitration shall be New York, NY. The language to be used in the arbitral proceedings shall be English. Notwithstanding the foregoing, in the event a dispute under this letter is related to or part of a dispute under the License Agreement, such dispute shall be solely adjudicated in accordance with the dispute resolution terms set forth in the License Agreement.

Sincerely,

/s/ Joseph M. Harary
Joseph M. Harary, President and CEO

Agreed:

Gauzy Ltd.

By: /s/ Eyal Peso
Eyal Peso, Chief Executive Officer

[Signature Page to Standstill Agreement]

ANNEX A

EXISTING FILM LICENSEES

(Licenses includes their subsidiaries, successors and permitted assigns. All licensees grant intellectual property rights as of the effective date of the License Agreement, which is listed in parentheses below. Of the Existing Licensees listed below, only Hitachi Chemical has introduced and SPD Film commercially.)

1. Hitachi Chemical Co., Ltd. (August 9, 1999)
2. Dainippon Ink and Chemicals, Inc. (June 25, 1999)
3. E.I. Dupont de Nemours and Company (April 13, 2004)
4. Film Technologies International, Inc. (April 28, 2001)
5. Gauzy, Ltd. (September 30, 2017)
6. I.D. Research Pty Ltd. (IGlass) (February 8, 2010)

7. Isoclima S.P.A. (July 2, 2002)

8. Nippon Sheet Glass Co. Ltd./NSG UMU Products Co., Ltd. (September 3, 2004)

9. Polaroid Corporation (May 23, 2000)

Exhibit 10.10

CONVERTIBLE LOAN AGREEMENT

THIS CONVERTIBLE LOAN AGREEMENT (the "**Agreement**") is made and entered into as of January 29, 2020 (the "**Effective Date**") by and among Gauzy Ltd., a company incorporated and existing under the laws of the State of Israel having its principal offices at the 14 Hatchiya St., Tel-Aviv, Israel 6816914 (the "**Company**"), and Blue-Red Capital Fund LP, a limited liability partnership registered in the Cayman Islands (the "**Lender**").

WHEREAS, the Lender wishes to extend to the Company a convertible loan in the aggregate amount of US$ 2,000,000 (the "**Loan Amount**"); and

WHEREAS, the Company wishes to accept such convertible loan pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the parties hereby agree as follows:

1. DEFINITIONS

1.1 "**Articles**" shall mean the articles of association of the Company in effect on the Effective Date.

1.2 "**Business Day**" shall mean any day other than Friday or Saturday, and other than days on which banks in Israel are generally closed.

1.3 "**Conversion Event**" shall mean an event upon which the Loan Amount is converted pursuant to Sections 6.3.

1.4 "**Converted Shares**" shall mean means the shares of the Company issued upon conversion of the Loan in accordance with the relevant conversion mechanism as set forth in this Agreement.

1.5 "**Existing Lender**" shall mean Mizrahi Tefahot Bank Ltd.

1.6 "**Existing Loans**" shall mean that certain loan facilities (i) entered into by and between the Company and the Existing Lender dated as of March 25, 2018; and (ii) entered into by and between the Company and the Existing Lender dated as of October 29, 2018.

1.7 "**Existing Pledges**" shall mean those certain fixed and floating charges provided to the Existing Lender as security for the Existing Loans.

1.8 "**Final Date**" shall mean 00:00 on July 31, 2021.

1.9 "**Fully Diluted Basis**" shall mean all the issued and outstanding share capital of the Company immediately prior to a Conversion Event, after giving effect to the conversion or exercise (as the case may be) of all convertible securities, options and warrants and anti-dilution rights, as well as all other rights or promises of any kind to acquire equity securities of the Company and/or other securities or rights convertible into or exchangeable for equity shares of the Company outstanding as of such time.

1.10 "**M&A Transaction**" shall mean each of the following: (i) a consolidation, merger or reorganization of the Company with or into, or a sale of all or substantially all of the Company's assets, or a majority of the Company's issued and outstanding share capital to, any third party, other than a wholly-owned subsidiary of the Company, excluding a transaction in which shareholders of the Company prior to the transaction will maintain voting control of the resulting entity after the transaction (provided, however, that shares of the surviving entity held by shareholders of this Company acquired by means other than the exchange or conversion of the shares of this Company shall not be used in determining if the shareholders of this Company maintain voting control of the surviving entity (or its parent)); (ii) a transfer or grant by the Company of a perpetual exclusive license over all or substantially all of the Company intellectual property; and (iii) any transaction resulting in all or substantially all of the Company's assets being traded for securities of any entity.

1.11 "**Non-Qualified Financing**" shall mean the closing of the Company's next round of financing in one or more tranches (including the conversion of outstanding securities of the Company) prior to the Final Date reflecting a pre-money Company valuation on a Fully Diluted Basis of less than a US$110,000,000, as of such date.

1.12 "**Qualified Financing**" shall mean the closing of the Company's next round of financing in one or more tranches (including the conversion of outstanding securities of the Company) prior to the Final Date reflecting a pre-money Company valuation on a Fully Diluted Basis of US$110,000,000 or more, as of such date.

1.13 "**Underlying Assets**" shall mean In respect of the Company or its subsidiaries (as applicable), any of such person's assets, including, but not limited to, shares, securities, rights deriving from agreements, bank accounts, accounts receivable and intellectual property.

2. LOAN

2.1 Subject to the terms contained herein, the Lender shall extend to the Company the Loan Amount as follows:

2.1.1 US$ 1,000,000 shall be transferred to the Company within two (2) Business Days of execution hereof (the "**Extension Date**"); and

2.1.2 US$ 1,000,000 shall be transferred to the Company within four (4) Business Days after the registration of the Pledge with the Israeli Registrar of Companies as set forth in Section 4.2 below.

2.2 The loan shall bear net interest at a rate of 10% per annum (compounded annually) from the date of the actual receipt by the Company of each respective payment ("**Interest**"). Interest shall be due and payable upon repayment in accordance with Section **Error! Reference source not found.** below or upon the conversion of the Loan Amount in accordance with Section 6 below. Notwithstanding the foregoing, if the Loan Amount is repaid or converted prior to the Final Date, the Interest will be calculated as of the Final Date and not the actual repayment or conversion date.

2.3 The loans shall be made in USD, by wire transfer to the Company's bank account as follows:

Bank: Mizrahi Tefahot
Branch: Atidim No. 528, 26a Ha'Barzel St., Tel Aviv
Account No.: 145862
IBAN: IL23-0205-2800-0000-0145-862
SWIFT: MIZBILIT
Beneficiary: Gauzy Ltd.

3. WARRANT

3.1 The Lender shall be entitled to warrants in an amount equal to ten percent (10%) of the Loan Amount actually received by the Company, in the form attached hereto as Exhibit A (the "**Warrants**").

4. SECURITY

4.1 The repayment by the Company of the Loan Amount in accordance with this Agreement shall be secured by a single, second ranking floating charge, under Israeli law, unlimited in amount, on all of the Company's Underlying Assets pursuant to a floating charge agreement in the form as shall be agreed between the parties (the "**Pledge**"). The Pledge and the floating charge shall be subordinated to the Existing Pledges. For the avoidance of doubt, the Lender shall not have the right to enforce the floating charge in an amount in excess of the total amount owed to the Lender at such time pursuant to this Agreement.

4.2 Within forty-five (45) days following the Extension Date, the Company shall make commercial reasonable efforts to provide to the Lender confirmation of due registration of the Pledge with the Israeli Registrar of Companies.

4.3 The Lender agrees that in the Event of the closing of a secured U.S. dollar denominated bond series 1 debenture between Scintilla Fund L.P. and the Company, the Pledge shall be of a single, third ranking floating charge, and agrees that the Company may take all actions and sign any documents in order to make the relevant amendment.

5. **REPAYMENT**

Unless earlier converted pursuant to Section 6 below, the Loan Amount plus, subject to Section **Error! Reference source not found.** below, any and all accrued interest, shall be repaid by the Company to the Lender in cash, upon an Event of Default as defined in Section 7 below or at the Final Date upon written notice to the Company. No prepayment of the Loan Amount by the Company shall be permitted, without the prior written consent of the Lender.

6. CONVERSION

6.1 **Conversion upon Qualified Financing**

Unless earlier converted pursuant to this Section 6, or repayment pursuant to Section 53 above, upon the closing of a Qualified Financing, the Lender may require, in lieu of repayment of the Loan Amount, the Company to convert the Loan Amount into an equity investment in the Company. The Lender shall receive, in consideration for the conversion of the Loan Amount, such number of fully paid and non-assessable Company shares of the most senior class issued in such Qualified Financing (and also bearing the same rights with respect to the holders thereof) (the "**Qualified Financing Securities**"), equal to the number determined by dividing the Loan Amount by the price per share in the Qualified Financing.

6.2 **Optional Conversion**

Unless earlier converted pursuant to this Section 6, or repayment pursuant to Section 53 above, on the Final Date, the Lender shall either require the Company to repay the Loan Amount and the Interest in accordance with Section 5 and 6.5, or to convert the Loan Amount into the most senior class of shares of the Company outstanding at the time of such conversion (but of a new sub-class if there is a differing issuance prices). If the Lender elects to convert the Loan Amount: (i) if a Qualified Financing has occurred, the Loan Amount shall be converted in accordance with Section 6.1 above; (ii) if a Qualified Financing has not occurred but a Non-Qualified Financing has occurred, the Loan Amount shall be converted at a price per share equal to the number determined by dividing the Loan Amount by the lowest price per share in any Non-Qualified Financing; and (iii) if neither a Qualified Financing nor a Non-Qualified Financing has occurred, the Loan Amount shall be converted at a price per share reflecting a US$77,000,000 pre-money Company valuation on a Fully Diluted Basis as of such date.

6.3 **Conversion Upon M&A**

In the event the Company closes an M&A Transaction prior to the Final Date, a conversion pursuant to this Section 6 or repayment pursuant to Section 5 above, the Lender may require the Company to either repay the Loan Amount and the Interest in accordance with Section 5 and 6.5, or to convert the Loan Amount into the most senior class of shares of the Company existing immediately prior to the closing of such M&A Transaction at a conversion price per share equal to the lower of: (i) the price per share in such M&A Transaction; and (ii) a price per share reflecting a US$110,000,000 pre-money Company valuation on a Fully Diluted Basis as of such date. In the event of a pending M&A Transaction, the Company shall notify the Lender in writing of such M&A Transaction at least ten (10) Business Days prior to the closing of such M&A Transaction in order for the Lender to notify the Company of its election prior to the closing thereof. If the Lender does not notify the Company of its election within seven (7) Business Days of receipt of such notice from the Company, the Company shall determine at its discretion whether to repay the Loan Amount and Interest or whether to convert it in accordance herewith.

6.4 **Conversion upon Breach**

Upon the occurrence of a material breach of the undertaking of the Company towards the Lender, under this Agreement, which remains uncured for thirty (30) days or more pursuant to a written notice thereof to the Company by the Lender, the Lender may require the Company to convert the Loan Amount into the most senior class of shares of the Company outstanding at the time of such conversion (but of a new sub-class due to the differing issuance prices), equal to the number determined by dividing the Loan Amount by a price per share reflecting a US$77,000,000 pre-money Company valuation on a Fully Diluted Basis as of such date.

6.5 **Conversion of Interest**

Upon repayment of the Loan Amount in accordance with Section 5 or if converted pursuant to this Section 6, the Lender shall have the right, at its sole discretion, to receive the Interest as a cash payment or to convert the Interest into shares of the Company. In the event the Lender elects to convert the Interest into shares of the Company, the Interest shall be converted as follows: (i) if such conversion is in connection with the conversion of the Loan Amount, the Interest shall be converted together with and pursuant to the same terms as the Loan Amount; and (ii) if such conversion is in connection with the repayment of the Loan Amount, the Interest shall be converted into the most senior class of shares of the Company outstanding at the time of such conversion (but of a new sub-class if there is a differing issuance prices), equal to the number determined by dividing the Interest by a price per share reflecting a US$77,000,000 pre-money Company valuation on a Fully Diluted Basis as of such date.3

6.6 **Effects of Conversion**

The issuance to the Lender of any securities of the Company in the event of conversion pursuant to the terms and conditions set forth herein shall be deemed full and complete payment and discharge of the Loan Amount extended by the Lender.

6.7 **Mechanics of Conversion**

In the event of any conversion of the Loan Amount pursuant to this Agreement, the following provisions shall apply:

6.7.1 Fractional Shares. No fractional shares shall be issued in connection with any conversion of the Loan Amount, and the actual number of shares of the Company to be issued to the Lender shall be rounded up or down to the nearest whole number.

6.7.2 Issuance; Share Certificate. The Company shall, immediately upon any conversion of the Loan Amount, issue and deliver to the Lender a certificate representing the number of shares issued to the Lender pursuant to such conversion.

6.7.3 Rights as Shareholder. From the date of occurrence of a conversion and thereafter, the Lender shall be deemed to possess all rights, preferences, powers, privileges, restrictions, qualifications and limitations associated with the Company's shares issued upon such conversion to the Lender.

6.7.4 Due Issuance; Effect of Conversion. Upon any conversion of the Loan Amount, the Company shall promptly issue to the Lender the appropriate number and class or series of shares, duly authorized, validly issued, fully-paid, non-assessable and free and clear of any pre-emptive rights, pledges, liens, claims, encumbrances or third party rights of any kind other than as set forth in the Articles.

7. EVENTS OF DEFAULT

Notwithstanding anything to the contrary herein, upon the occurrence of each of the events set forth in this Section 7 (each an "**Event of Default**"), the Lender shall be entitled to immediate repayment of the Loan Amount, and the Company undertakes to immediately pay all such amounts due upon the Lender's written demand:

7.1 A breach of any material undertaking of the Company towards the Lender, under this Agreement, which remains uncured for thirty (30) days or more pursuant to a written notice thereof to the Company by the Lender;

7.2 The Company's ordinary course of business is suspended or ceased, or the Company generally ceases to pay its debts when due. For the avoidance of doubt, a temporary suspension of an operation which is intended to be resumed shortly thereafter shall not be deemed to constitute a suspension of business hereunder;

7.3 The commencement by or against the Company of any liquidation proceedings, bankruptcy, insolvency, moratorium, receivership, reorganization or similar proceeding, unless such proceedings have been withdrawn or stayed within sixty (60) days; or if the Company's shareholders have resolved to voluntary liquidate the Company; or

7.4 The appointment of a receiver, liquidator, special manager or trustee over all or any part of the Company's assets, unless such appointment has been withdrawn or stayed within sixty (60) days, or the appointment of a permanent liquidator or permanent receiver to take possession of the material part of the or assets of the Company, or an attachment is placed on a material part of the property or assets of the Company (unless such attachment has been removed within sixty (60) days), or the calling by the Company of a meeting of creditors for the purpose of entering into a scheme or arrangement with them.

8. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Lender, except as set forth on the disclosure schedule (which shall be organized so as to correspond with the sub-section numbering of this Section 8), which exceptions shall be deemed to be representations and warranties as if made hereunder, when read in conjunction with all of this Section 8 with respect to the subsection of this Section referenced in the specific disclosure or any other Section hereof if it is reasonably apparent that the disclosure applies (the "**Disclosure Schedule**") attached hereto, as follows:

8.1 Organization. The Company is duly incorporated and validly existing under the laws of the State of Israel and has the power and authority to own, lease and operate its properties and carry on its business as now conducted and as currently proposed to be conducted.

8.2 Approvals. No consents, authorizations or approvals or waivers of any kind of any governmental authority or other third party are required in connection with the execution or performance of this Agreement.

8.3 Enforceability. This Agreement constitutes a valid and legally binding obligation of the Company, enforceable against the Company in accordance with its terms, except as limited by applicable laws of general application affecting enforcement of creditors' rights generally and by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies and general principles of equity.

8.4 No Conflicts. Neither the execution and delivery of this Agreement nor compliance by the Company with the terms and provisions hereof, will conflict with, or result in a breach or violation of, any of the terms, conditions and provisions of: (i) the Articles or other governing instruments of the Company; (ii) any judgment, order, injunction, decree, or ruling of any court or governmental authority, domestic or foreign known to the Company; or (iii) applicable Israeli law. Such execution, delivery and compliance will not (a) give to others any rights, including rights of termination, cancellation or acceleration, in or with respect to any agreement, contract or commitment referred to in this paragraph, or to any of the properties or rights of the Company, or (b) otherwise require the consent or approval of any person, which consent or approval has not heretofore been obtained.

8.5 Capitalization. A capitalization table of the Company showing the share capital of the Company as of immediately following the closing of the transactions contemplated herein is included as Schedule 8.5 to the Disclosure Schedule (the "**Cap Table**"). The Cap Table accurately reflects any and all issued and outstanding share capital of the Company, and any and all other securities of the Company, including options, warrants or any other right convertible into securities of the Company.

8.6 Litigation. To the Company's knowledge, there are no actions, suits, arbitrations, proceedings or investigations or claims pending against the Company, its respective properties or assets or with regard to the Company's business or to which the Company is a party, or against any of the officers of the Company in their capacity as such, before any court, arbitration, board, tribunal or administrative authority or any other authority, nor, to the Company's knowledge, is there any threat thereof or basis therefor.

8.7 Financial Statements; Liabilities. Attached as Schedule 8.7.1(A) are the Company's audited financial statements as of December 31, 2018 ("**2018 Financials**") and unaudited financial statements for the period ending September 30, 2019 ("**2019 Financials**", and together with the 2018 Financials, the "**Financial Statements**"). The Financial Statements are true and correct in all material respects, are in accordance with the books and records of the Company, consistently applied, and fairly and accurately present in all material respects the financial position of the Company as of such dates and the results of its operations for the periods then ended. The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All necessary and proper books of account and accounting records have been maintained by the Company, are in its possession and contain accurate information in accordance with IFRS to all transactions to which the Company has been a party. The Company maintains a standard system of accounting established and administered in accordance with IFRS and will continue to maintain such a system. Except as set forth in Schedule 8.7.1(B), the Company has no liabilities, debts or obligations, whether accrued, absolute or contingent other than liabilities reflected or reserved for in the Financial Statements. Without derogating from the generality of the foregoing, except as set forth in the Financial Statements or in Schedule 8.7.1(B) the Company is not a guarantor of any debt or obligation of another, nor has the Company given any indemnification, loan, security or otherwise agreed to become directly or contingently liable for any obligation of any person, and no person has given any guarantee of, or security for, any obligation of the Company.

8.7.2 The Company has no liabilities, debts or obligations, accrued or fixed, absolute or contingent, matured or unmatured or determined or undeterminable exceeding US$100,000 in the aggregate, including those arising under any law, action or order, whether or not required to be recorded in financial statements under applicable generally accepted accounting principles, other than the liabilities set forth in the Financial Statements and Schedule 8.7.1(B) of the Disclosure Schedule. The Company is not a guarantor of any debt or obligation of another, nor has the Company given any indemnification, loan, security or otherwise agreed to become directly or contingently liable for any obligation of any person, and no person has given any guarantee of, or security for, any obligation of the Company. Since its inception, the Company has been operated only in the usual and ordinary course of business. Except as set forth in Schedule 8.7.2 of the Disclosure Schedule, since September 30, 2019, there has not been:

(i) any damage, destruction or loss, whether or not covered by insurance, adversely affecting the assets, properties, conditions (financial or otherwise), operating results or business of the Company;

(ii) any waiver by the Company of a valuable material right or of a material debt;

(iii) any satisfaction or discharge of any lien, claim or encumbrance or payment of any obligation by the Company, in each case, other than any of the foregoing occurring in the ordinary course of business or which are in an amount that is not in excess of US$100,000;

(iv) any loans made by the Company to its employees, officers, or directors, or members of their immediate families, or companies under the control of any of the foregoing, other than travel advances made in the ordinary course of business;

(v) any sale, transfer or lease of, or mortgage or pledge of imposition of lien on any of the Company's assets, other than in the ordinary course of business;

(vi) any declaration or making of distributions of any kind to shareholders;

(vii) any entering into related party transaction;

(viii) any other event or condition of any character that would reasonably be expected to adversely affect the assets, properties, condition (financial or otherwise), operating results or business of the Company;

(ix) any resignation or termination of any executive officer, key employee or group of employees of the Company;

(x) any change in the accounting methods or accounting principles or practices employed by the Company;

(xi) any material change or amendment to a Material Contract or arrangement by which the Company or any of its assets or properties is bound or subject; or

(xii) any arrangement or commitment by the Company to do any of the things described in this Section 8.7.2.

8.8 Intellectual Property and Other Intangible Assets.

8.8.1 As used in this Agreement, the following terms shall have the meanings indicated below:

(i) "**Company IP Rights**" means any and all Intellectual Property (as defined below) used in the conduct of the business of the Company as currently conducted, including Intellectual Property currently under development by or on behalf of the Company (whether or not in collaboration with another person).

(ii) "**Company Products**" means all products and services developed, or currently under development, by or on behalf of the Company.

(iii) "**Founder**" means Eyal Peso, Adrian Lofer, or Dimitry Dobrenko.

(iv) "**Intellectual Property**" means patents, designs, trademarks, service marks, trade names, domain names, copyrights, mask works, trade secrets, inventions, formulations, formulae, know-how, processes, techniques, works of authorship, computer programs, software (whether in binary code form or in source code form) and technical data and information, as well as any registrations, applications, licenses and rights with respect to the foregoing.

8.8.2 Except as set forth in Schedule 8.8.2 of the Disclosure Schedules, the Company exclusively owns and has developed, or has obtained the rights to use, free and clear of all liens, encumbrances, claims, restrictions or rights of third parties of any kind or nature (including any academic institution), all Company IP Rights without any known conflict with, infringing upon, or violating any rights (including Intellectual Property), lien, or claim of others. Schedule 8.8.2 of the Disclosure Schedule sets forth all the registered and pending Intellectual Property owned by the Company.

8.8.3 Other than as set forth in Schedule 8.8.3 or with respect to commercially available software products which are generally available off-the-shelf and other shrink-wrap, click-wrap or similar widely-available standard end-user license agreements, the Company is not obligated or under any liability whatsoever to make any payments by way of royalties, fees or otherwise to any owner or licensee of, or other claimant to, any Intellectual Property with respect to the use thereof or in connection with the conduct of its business as now conducted or as currently proposed to be conducted or otherwise. Other than as set forth in Schedule 8.8.3 or with respect to commercially available software products under standard end-user object code license agreements, or agreements providing for confidentiality of information entered into in the ordinary course of business, there are no outstanding options, licenses, agreements, claims, encumbrances or shared ownership interests of any kind relating to the Company IP Rights, nor is the Company bound by or a party to any options, licenses or agreements of any kind with respect to the patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information, proprietary rights and processes of any other Person.

8.8.4 Any and all Intellectual Property of any kind, which has been or is currently being developed, invented, created, discovered, derived, programmed or designed, by any former or current Founder, employee, officer, consultant or contractor of the Company, either alone or in concert with others (each, an "**IP Contributor**"), is and shall be the exclusive property of the Company. The Company has taken measures to protect the secrecy, confidentiality and validity of all Company IP Rights, which measures are reasonable and customary in the industry in which the Company operates. Each of the Company's IP Contributors have entered into written agreements with the Company, (a) assigning to the Company all rights they may have in any Intellectual Property developed or contributed by them in the course of their employment or engagement by the Company and as a result thereof, either alone or in concert with others; and (b) waiving all rights to any future compensation or royalties which may arise from such Intellectual Property, and the Founders and each of the Company's current and former employees have expressly and irrevocably waived the right to receive compensation in connection with "Service Inventions" pursuant to Section 134 of the Patents Law 1967 or any other similar provision under any Laws of other applicable jurisdictions (the "**Patents Law**"), and no such person is entitled to any compensation pursuant to the Patents Law.

8.8.5 The Company has not received any written communications alleging that the Founders or the Company or any of its employees, officers, contractors and consultants violated any of the patents, trademarks, service marks, trade names, copyrights or trade secrets or other Intellectual Property rights of any other person or entity and, to the Company's knowledge, there is no basis for any such allegation. To the Company's knowledge, no third party has violated any Intellectual Property owned by the Company. To the knowledge of the Company, none of the Company's employees, officers, contractors or consultants 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 person's best efforts to promote the interests of the Company, that would affect or impair the Company's commercialization of the Company Products, or that would otherwise conflict with the Company's business as conducted. It is not, and will not become, necessary to utilize any inventions or works of authorship of any of the Company's IP Contributors made prior to their employment or engagement by the Company, other than those that have been duly and validly assigned to the Company.

8.8.6 Except as set forth in Schedule 8.8.6 of the Disclosure Schedule, no (i) government funding or governmental grants; (ii) facilities, personnel, or resources of the military, a university, college, other academic or educational institution or research center; or (iii) funding from any person, was used in the development of the Company IP Rights. No former or present IP Contributor, has performed services for or otherwise was under restrictions resulting from his/her relations with any government (including military), university, academy, college or other educational institution or research center during a period of time during which any Company IP Rights were created, or during such time that such IP Contributor was also performing services for, or for the benefit of, the Company. None of the entities mentioned in this Section have raised any ownership claims with respect to any Company IP Rights and/or Company Products, nor to the knowledge of the Company, any circumstance exists that would expose the Company to such claims.

8.8.7 The Company has obtained and possesses valid licenses to use all of the software programs installed on the computers and other software-enabled electronic devices that it owns or leases or that it has otherwise provided to its employees for their use in connection with the Company's business as currently conducted.

8.9 Governmental Funding. Except as set forth in Schedule 8.9 of the Disclosure Schedule, the Company has not received and has not applied for any grants, incentives, benefits (including tax benefits) or subsidies from any governmental or regulatory authority or any agency thereof, including the Investment Center and the Israel Innovation Authority (the "**IIA**") (all grants listed in Schedule 8.9 of the Disclosure Schedule, the "**Grants**"). Except as set forth in Schedule 8.9 of the Disclosure Schedule attached hereto, the Company is in full compliance with all respective provisions, terms and conditions applicable to such Grants, including, *inter alia*, the filing of all reports and requests, and the application for and obtainment of all consents and approvals, required to be filed, applied for or obtained, as applicable, under any of the foregoing or under any applicable law, statute, regulation or otherwise in connection with any transactions consummated by the Company at any time prior to the date hereof. The Company has no outstanding monetary obligations to the IIA that have not been paid in full and 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. No claim or challenge has been made by the IIA with respect to the Company's entitlement to such grants, or the compliance with the terms, conditions, obligations or laws relating to such grants and to the Company's knowledge, the IIA is not expected to make any claims in connection with the Company's obligations or restrictions under the IIA's related laws, rules and guidelines.

8.10 Taxes. There are no federal, state, county, local or foreign taxes due and payable by the Company, which have not been timely paid. There are no accrued and unpaid federal, state, country, local or foreign taxes of the Company which are due, whether or not assessed or disputed. There have been no examinations or audits of any tax returns or reports by any applicable federal, state, local or foreign governmental agency. The Company has duly and timely filed all federal, state, county, local and foreign tax returns required to have been filed by it pursuant to any applicable law, if and to the extent required to do so, and all such returns and filings were, as of the time of their filing, true and correct in all material respects, and there are in effect no waivers of applicable statutes of limitations with respect to taxes for any year.

8.11 Full Disclosure. The Company has provided the Lender with all information the Lender has requested in writing from the Company. Neither this Agreement (including the Schedules hereto) nor any certificates made or delivered in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements herein or therein not misleading, in view of the circumstances in which they were made. The representations and warranties made by the Company in this Agreement and any certificate delivered pursuant to this Agreement are the exclusive representations and warranties made by the Company in connection with the transactions hereunder or under each other agreement, document, instrument or certificate contemplated hereby. The Company hereby disclaims any other express or implied representations or warranties with respect to the Company and any of its operations, financial standing, prospects, assets or liabilities.

9. REPRESENTATIONS AND WARRANTIES OF THE LENDER

The Lender hereby represents and warrants to the Company as follows:

9.1 It has full power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereunder.

9.2 No consents, authorizations or approvals of any kind of any governmental authority or other third party are required in connection with the execution or performance by the Lender of this Agreement.

9.3 This Agreement is a legal, valid and binding obligation of the Lender, and is enforceable as to it in accordance with its respective terms, except as limited by applicable laws of general application affecting enforcement of creditors' rights generally and by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies and general principles of equity.

9.4 The Lender acknowledges that the Loan contemplated herein involves substantial risk. The Lender has such knowledge and experience in financial and business matters so that it is capable of evaluating the merits and risks of this type of investment and sustaining a substantial or total loss of its loan. The Lender has had the opportunity to consult with its own attorney, accountant and/or financial advisers regarding this Agreement, including tax, accounting and legal merits, risks and consequences of this Agreement. The Lender further acknowledges that it has been afforded the opportunity to ask the Company questions concerning the business and financial condition, operations and prospects of the Company and all such questions have been answered to the full satisfaction prior the entering into the Agreement. The foregoing shall not derogate from the representations and warranties of the Company's set forth in Section 8 above.

9.5 The Lender acknowledges and understands that any Company securities issued upon conversion of its loan shall be restricted and not freely tradable securities.

9.6 No agent, broker, investment banker, person or firm acting in similar capacity on behalf of or under the authority of the Lender is or will be entitled to any broker's or finder's fee or any other commission in connection with the transactions contemplated hereunder, and the Lender agrees to indemnify and hold the Company harmless from any such liability for any commission or compensation in the nature of a finder's fee (and the costs and expenses of defending against such liability or asserted liability) in connection with the transactions contemplated hereunder.

10. IIA UNDERTAKING

At the date hereof the Lender is not an Israeli person or entity and shall execute the standard undertaking mandated by the IIA, in the IIA's customary form and deliver to the Company a copy thereof.

11. CONFIDENTIALITY

The Lender agrees to keep strictly confidential, and not disclose or otherwise disseminate any and all Company's documents, materials and information it receives pursuant hereunder, except for documents, materials and information which (a) are known or become known to the public in general (other than as a result of a breach of this Section by the Lender), or (b) are or have been made known or disclosed to such Lender by a third party without a breach of any obligation of confidentiality such third party may have to the Company (the "**Confidential Information**"); provided, however, that the Lender shall have the right to disclose such Confidential Information to its legal and financial advisors on a need to know basis and to any assignee of all of the rights and obligations of the Lender or purchaser of all of the Company's shares from the Lender, provided that the Lender shall be responsible to ensure that each such advisor, assignee or purchaser complies with the provisions of this Section 118. Such Confidential Information may be used by the Lender only for the purpose of monitoring and deciding on its investment in the Company.

12. MISCELLANEOUS

12.1 Entire Agreement. This Agreement constitutes the entire understanding of the parties hereto with respect to the subject matter hereof, and it supersedes all prior written and oral understandings on such matters. This Agreement may be changed only by an agreement in writing and signed by the Company and the Lender.

12.2 Governing Law. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Israel without giving effect to its principles or rules of conflicts of laws. Any dispute arising under or in relation to this Agreement shall be resolved in the competent court in Tel Aviv-Jaffa district only, and each of the parties hereby submits irrevocably to the exclusive jurisdiction of such court.

12.3 Counterpart Signatures. 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 the other party, it being understood that two parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by electronic mail, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature page were an original thereof.

12.4 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable under applicable law, then such provision shall be excluded from this Agreement and the remainder of this Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms; provided, however, that in such event this Agreement shall be interpreted so as to give effect, to the greatest extent consistent with and permitted by applicable law, to the meaning and intention of the excluded provision as determined by such court of competent jurisdiction.

12.5 Transfer; Successors and Assigns. This Agreement and the rights and the obligations of the Lender hereunder may not be transferred or assigned by the Lender without the prior written consent of the Company, except for transfer or assignment by the Lender to an Affiliate of the Lender. This Agreement shall be binding upon the successors or assigns of the Company and shall inure to the benefit of the successors and permitted assigns of the Lender. "**Affiliate**" means any entity which controls, is controlled by, or which is under a common control with the Lender, where "control" means the holding of more than fifty percent (50%) of the issued stock or voting rights.

12.6 Notice. All notices or other communications provided for in this Agreement shall be in writing and shall be given in person, by registered mail (registered air mail if mailed internationally), by an overnight courier service which obtains a receipt to evidence delivery, by facsimile transmission (evidenced by written confirmation of transmission), or by electronic mail, addressed as set forth below:

The Company
Gauzy Ltd.
14 Hathya, Tel Aviv, Israel
Attention: Eyal Peso, CEO
E-mail: eyal@gauzy.com
Fax: +972 (72)2500386

with a copy to (which shall not constitute a notice):
Gornitzky & Co.
45 Rothschild Blvd.
Tel Aviv, 6578403 Israel
Attention: Yehonatan Raff, Adv.
E-mail: yonir@gornitzky.com

The Lender
Blue-Red Capital Fund LP
Attention: Yishai Klein
Address: P.O. Box 10008, Willow House, Cricket Square, Grand Cayman, KY1-1001, Cayman Islands
Email: yishai@blueredpartners.com

or such other address as any party may designate to the other in accordance with the aforesaid procedure. All notices and other communications delivered in person shall be deemed to have been given upon delivery. Notices and other communications delivered by facsimile transmission or electronic mail shall be deemed to have been given as of one business day after sending thereof. All notices and other communications delivered by overnight air courier shall be deemed to have been given as of the third business day after posting; and all notices and other communications sent by registered mail shall be deemed given ten (10) days after posting.

12.7 Further Actions. At any time and from time to time, each party agrees, without further consideration, to take such actions and to execute and deliver such documents as may be reasonable necessary to effectuate the purposes of this Agreement.

12.8 No Third Party Beneficiaries. Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any Person, other than the Parties hereto and their respective permitted successors and assigns, any rights or remedies under or by reason of this Agreement

[Signature Page Immediately Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Loan Agreement on the Effective Date.

The Company:

GAUZY LTD.

By: _____
Title: _____

The Lender:

BLUE-RED CAPITAL FUND LP

By: _____
Title: _____

Exhibit 10.11

AMENDMENT TO CONVERTIBLE LOAN AGREEMENT

This Amendment (this "**Amendment**") to that certain Convertible Loan Agreement is entered into on March 29, 2020 by and between Gauzy Ltd., a company incorporated and existing under the laws of the State of Israel having its principal offices at the 14 Hatchiya St., Tel-Aviv, Israel 6816914 (the "**Company**"), Blue-Red Capital Fund LP, a limited liability partnership registered in the Cayman Islands ("**Blue-Red**), Ibex Israel Fund LLLP, a limited liability partnership registered in the State of Delaware ("**Ibex**") and Avery Dennison Israel Ltd., a company incorporated under the laws of the State of Israel ("**AD**" and together with Ibex, each an "**Additional Lender**" and collectively the "**Additional Lenders**").

Each of the Company and the Lenders may be referred to herein as a "**Party**", and collectively, the "**Parties**".

WHEREAS, the Company and Blue-Red entered into the certain Convertible Loan Agreement, dated January 29, 2020 (the "**CLA**"), pursuant to which Blue-Red provided the Company with a convertible loan in an amount of US$2,000,000 (the "**Initial Loan Amount**");

WHEREAS, the Additional Lenders wish to provide the Company with additional funds by way of a convertible loan pursuant, and by way of amend, to the terms of the CLA in an aggregate amount of US$ 600,000 (the "**Additional Loan Amount**");

WHEREAS, Blue-Red and the Company have agreed to amend the CLA for the purpose of receiving the Additional Loan Amount from the Additional Lenders;

NOW, THEREFORE, the Parties hereby agree as follows;

1. Each of the Additional Lenders shall provide the Company up to such amount as set forth across from their names in **Exhibit I** hereto (under the column entitled, "Additional Loan Amount" - each an "**Additional Lender Loan Amount**"). Each Additional Lender shall provide their Additional Lender Loan Amount in tranches based on draw-down request from the Company, pursuant to Section 2 below, in an amount equal to their pro-rata portion of the draw-down, based on their portion of the Additional Loan Amount as set forth across from their names in **Exhibit I** hereto (under the column entitled, "Pro-Rata Portion" - the "**Pro-Rata Portion**").

2. Draw-downs of the Additional Loan Amount shall be made upon a written notice by the Company to the Additional Lenders, and each Additional Lender shall provided the Company with their Pro-Rata Portion of such draw-down within two (2) Business Days of such written request to the bank account of the Company as set forth Section 2.3 of the CLA.

3. In connection with providing the Additional Loan Amount, each Additional Lender shall receive a warrant, as attached hereto as **Exhibit II**, in an amount equal to ten percent (10%) of such Additional Lender's portion of the Additional Loan Amount.

4. Notwithstanding Section 4 of the CLA, the Additional Loan Amount shall only be added to, and secured by, the Pledge upon:

    a. the approval of the Existing Lender, including the signing of any undertaking to the Existing Lender by the Additional Lenders as may be (and to the extent) required by the Existing Lender; and

    b. the earlier of: (i) the registration of the second ranking pledge in favor of Scintilla Fund L.P.; and (ii) the termination of the facility provided by Scintilla Fund L.P.

5. Reference in the CLA, excluding sections 2.1 and 3 of the CLA, to the "Lender" shall be amended, *mutatis mutandis*, to the "Lenders" and shall mean Blue-Red and the Additional Lenders.

6. Subject to Section 3 above, reference in the CLA, excluding sections 2.1 and 3 of the CLA, to the "Loan Amount" shall be amended to refer to the Initial Loan Amount and the Additional Loan Amount.

7. Unless otherwise expressly stated, capitalized terms used herein shall have the meanings assigned thereto in the CLA.

8. This Amendment forms an integral part of the CLA.

9. All of the terms and conditions of the CLA shall remain in full force and effect, except as expressly amended by this Amendment.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have signed this Amendment as of the date first written above:

Gauzy Ltd.

By: /s/ Eyal Peso
Name: Eyal Peso
Title: CEO

Blue-Red Capital Fund LP.

By: /s/ Yishai Klein
Name: Yishai Klein
Title: Managing Partner

Ibex Israel Fund LLLP

By: /s/ Brian T. Abrams
Name: Brian T. Abrams
Title: President

Avery Dennison Israel Ltd.

By: /s/ Danny Allouche
Name: Danny Allouche
Title: VP Strategy and corp dev

[Gauzy –Amendment to Convertible Loan Agreement – March 2020]

EXHIBIT I

LENDERS ADDITIONAL LOAN AMOUNT

Ibex Israel Fund LLLP	US$	400,000	67%
Avery Dennison Israel Ltd.	US$	200,000	33%
TOTAL	**US$**	**600,000**	**100%**

EXHIBIT II

WARRANT

Exhibit 10.12

AMENDMENT No. 2 TO CONVERTIBLE LOAN AGREEMENT

This Amendment No. 2 (this "**Amendment**") to that certain Convertible Loan Agreement is entered into on October 17, 2021 by and between Gauzy Ltd., a company incorporated and existing under the laws of the State of Israel having its principal offices at the 14 Hathiya St., Tel-Aviv, Israel 6816914 (the "**Company**"), Blue-Red Capital Fund LP, a limited liability partnership registered in the Cayman Islands ("**Blue-Red**), Ibex Israel Fund LLLP, a limited liability partnership registered in the State of Delaware ("**Ibex**", and together with Blue-Red, each a "**Lender**" and collectively the "**Lenders**").

Each of the Company and the Lenders may be referred to herein as a "**Party**", and collectively, the "**Parties**".

WHEREAS, the Company and Blue-Red entered into the certain Convertible Loan Agreement, dated January 29, 2020 (the "**Initial CLA**"), pursuant to which Blue-Red provided the Company with a convertible loan in an amount of US$2,000,000 (the "**Initial Loan Amount**");

WHEREAS, the Company and the Lenders entered into that Amendment to the Initial CLA, dated March 29, 2020 (the "**CLA Amendment**", and together with the Initial CLA, the "**CLA**"), whereby Ibex and Avery Dennison Israel Ltd., a company incorporated under the laws of the State of Israel ("**AD**") provided the Company with additional funds pursuant to the terms of the Initial CLA in an aggregate amount of US$ 550,000, of which Ibex provided US$ 350,000 (the "**Additional Loan Amount**" and together with the Initial Loan Amount, the "**Loan Amount**");

WHEREAS, AD converted the amount of US $200,000, which they provided pursuant to the CLA Amendment, in to Series C Preferred Shares of the Company on October [●], 2020; and

WHEREAS, the Lenders and the Company have agreed to amend the CLA as set forth herein;

NOW, THEREFORE, the Parties hereby agree as follows;

1. The Final Date shall be amended to be extended for an additional twelve (12) months to 00:00 on July 31, 2022 (the "**Amended Final Date**").

2. Section 2.2 shall be amended such that the interest of 10% per annum shall accrue and be compounded on a quarterly basis with effect from August 1, 2021.

3. Section 5 shall be amended that repayment of the Loan Amount (plus all accrued interest) shall only occur following a prior written notice from the Company to the Lenders of no less than sixty (60) days.

4. To the extent the Company is unable to repay the Loan Amount (plus all accrued interest) on the Amended Final Date, the Lenders shall agree a further extension to the Final Date.

5. Unless otherwise expressly stated, capitalized terms used herein shall have the meanings assigned thereto in the CLA.

6. This Amendment forms an integral part of the CLA.

7. Notwithstanding the date(s) of signing this Amendment, the Parties agree that this Amendment shall take effect from 15 July 2021.

8. All of the terms and conditions of the CLA shall remain in full force and effect, except as expressly amended by this Amendment.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have signed this Amendment as of the date first written above:

Gauzy Ltd.

By: /s/ Eyal Peso
Name: Eyal Peso
Title: CEO

Blue-Red Capital Fund LP.

By: /s/ Yishai Klein
Name: Yishai Klein
Title: Managing Partner

Ibex Israel Fund LLLP

By: /s/ Brian T. Abrams
Name: Brian T. Abrams
Title: President

Exhibit 10.13

THIRD AMENDMENT TO CONVERTIBLE LOAN AGREEMENT

This Amendment (this "**Amendment**") to that certain Convertible Loan Agreement is entered into on July 1st, 2022 (the "**Third Amendment Date**") by and between Gauzy Ltd., a company incorporated and existing under the laws of the State of Israel having its principal offices at the 14 Hatchiya St., Tel-Aviv, Israel 6816914 (the "**Company**"), Blue-Red Capital Fund LP, a limited liability partnership registered in the Cayman Islands ("**Blue-Red**), and Ibex Israel Fund LLLP, a limited liability partnership registered in the State of Delaware ("**IBEX**" and together with Blue-Red, the "**Lenders**") . Each of the Company, Blue-Red and IBEX may be referred to herein as a "**Party**", and collectively, the "**Parties**".

WHEREAS, the Company and Blue-Red entered into the certain Convertible Loan Agreement, dated January 29, 2020 (the "**Initial CLA**"), pursuant to which Blue-Red provided the Company with a convertible loan in an amount of US$2,000,000 (the "**Initial Loan Amount**"), and pursuant to which, Blue-Red were issued a Warrant (of even date thereof), as was attached as Exhibit A to the Initial CLA (the "**Initial Blue-Red Warrant**");

WHEREAS, the Initial CLA was amended on March 29, 2020 (the "**First Amendment**"), for the purpose of receiving the additional funds from IBEX, and Avery Dennison Israel Ltd., a company incorporated under the laws of the State of Israel ("**AD**") and pursuant to which, inter alia, IBEX were issued a Warrant (of even date thereof), as was attached as Exhibit II to the First Amendment (the "**Initial IBEX Warrant**" and together with the Initial Blue-Red Warrant, the "**Initial Warrants**");

WHEREAS, AD converted the amount of US $200,000, which they provided pursuant to the First Amendment, into Series C Preferred Shares of the Company in January 2020, and is no long a Party to the CLA;

WHEREAS, on October 17, 2021, the Company, Blue-Red and Ibex entered into a second amendment to the Initial CLA as amended (the "**Second Amendment**", and together with the Initial CLA and the First Amendment, the "**CLA**"), for the purpose of amending certain terms of the CLA; and

WHEREAS, Blue-Red, Ibex and the Company have agreed to amend the CLA and each of the Initial Warrants, as set forth herein.

NOW, THEREFORE, the Parties hereby agree as follows:

1. The Amended Final Date (as defined in the Second Amendment) shall be amended such that it shall be extended for an additional twelve (12) months to 00:00 on July 31, 2023.

2. Section 2.2 of the Initial CLA shall be amended such that:

   a. as of August 1, 2022, the interest shall be amended to reflect a net interest rate of twelve percent (12%) per annum, compounded on a quarterly basis.

   b. the Interest shall be due and payable (i) upon repayment of the Loan Amount in accordance with Section 5 of the Initial CLA, or (ii) upon the conversion of the Loan Amount in accordance with Section 6 of the Initial CLA, by way of the Company's conversion of the Interest into Preferred C Shares of the Company at a price per share equal to US$ 47.087, or (iii) repayment of the Interest; as shall be determined by the Lender at its sole discretion.

3. Immediately prior to, and subject to the closing of, an IPO or a SPAC Transaction (whichever occurs first), the Loan Amount shall automatically convert into shares of the Company as if converted in accordance with Section 6.1 of the CLA. For the purposes hereof, "**IPO**" and "**SPAC Transaction**" shall have the meaning given to them in the articles of association of the Company, as in effect from time to time.

4. The term "Exercise Period" under Section 1 of each of the Initial Warrants, shall be deleted and replace with the following:

   *"**Exercise Period**" shall mean a period commencing upon the Third Amendment Date, and ending upon the earlier of (i) the second (2nd) anniversary of: (A) the repayment of the Loan Amount by the Company, or (B) the conversion of the Loan Amount in accordance with the terms of the CLA (whichever occurs first); and (ii) immediately prior to, and subject to the closing of, an IPO or a SPAC Transaction (as defined in the Articles) (whichever occurs first).*

5. Section 2(c) of each of the Initial Warrants, shall be deleted and replace with the following:

   This Warrant shall expire upon the expiration of the Exercise Period.

6. In connection with amending the CLA, each of Blue-Red and IBEX shall be entitled to warrants in the forms attached hereto as **Exhibits A-1** and **A-2** (the "**Second Warrants**"), in an amount equal to eighteen percent (18%) of the total outstanding amount under the Agreement as of July 31, 2022 (i.e., the Loan Amount actually received by the Company plus any and all accrued interest, as of July 31, 2022).

7. Unless otherwise expressly stated, capitalized terms used herein shall have the meanings assigned thereto in the CLA.

8. This Amendment forms an integral part of the CLA. All of the terms and conditions of the CLA shall remain in full force and effect, except as expressly amended by this Amendment.

9. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have signed this Amendment as of the date first written above:

Ibex Israel Fund LLLP

By: /s/ Brian Montgomery
Name: Brian Montgomery
Title: CFO

Blue-Red Capital Fund LP.

By: /s/ Yishai Klein
Name: Yishai Klein
Title: Managing Partner

Gauzy Ltd.

By: /s/ Eyal Peso
Name: Eyal Peso
Title: CEO

[Gauzy –3rd Amendment to Convertible Loan Agreement – _____ 2022]

GAUZY LTD.

WARRANT TO PURCHASE PREFERRED SHARES

July 1st , 2022

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR QUALIFIED UNDER ANY STATE OR FOREIGN SECURITIES LAW, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR HYPOTHECATED UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT COVERING THIS WARRANT AND/OR SUCH SECURITIES, OR THE HOLDER RECEIVES AN OPINION OF COUNSEL FOR THE HOLDER OF THE WARRANT AND/OR SUCH SECURITIES SATISFACTORY TO THE COMPANY STATING THAT SUCH SALE, TRANSFER, ASSIGNMENT OR HYPOTHECATION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF THE SECURITIES ACT AND THE QUALIFICATION REQUIREMENTS UNDER APPLICABLE STATE OR FOREIGN LAW.

This Certifies That, for value received, **Blue-Red Capital Fund LP** (the "**Holder**") is entitled to subscribe for and purchase at the Exercise Price (as defined below) from **Gauzy Ltd.**, a company incorporated and existing under the laws of the State of Israel having its principal offices at the 14 Hatchiya St., Tel-Aviv, Israel 6816914 (the "**Company**") the Warrant Shares (as defined below).

1. **Definitions**. Capitalized terms not otherwise defined herein, shall have the meaning ascribed to them in that certain Convertible Loan Agreement by and between the Company and the Holder (as specified therein), dated March 29, 2020, as amended from time to time (the "**Agreement**"). In addition, as used herein, the following terms shall have the following respective meanings:

"**Appraiser**" shall mean a reputable independent appraiser selected by the Holder out of a list of three (3) reputable and independent appraisers suggested by the Company.

"**Articles**" shall mean the Amended and Restated Articles of Association of the Company, as amended from time to time.

"**Exercise Amount**" shall mean an amount equal to eighteen percent (18%) of the total outstanding amount under the Agreement as of July 31, 2022 (i.e., the Loan Amount actually received by the Company plus any and all accrued interest, as of July 31, 2022).

"**Exercise Date**" shall mean the date of exercise of this Warrant.

"**Exercise Period**" shall mean a period commencing as of the date hereof and ending upon the earlier of (i) the tenth (10^{th}) anniversary of: (A) the repayment of the Loan Amount by the Company, or (B) the conversion of the Loan Amount in accordance with the terms of the CLA (whichever occurs first); and (ii) immediately prior to, and subject to the closing of, an IPO or a SPAC Transaction (as defined in the Articles) (whichever occurs first).

"**Exercise Price**" shall mean an exercise price per Warrant Share equal to the price per share equal to the lower of: (i) US$137.36; and (ii) the final issue price per share of the Company's Preferred Shares.

"**Exercised Shares**" shall mean those Warrant Shares exercised by the Holder pursuant hereto.

"**Fully Diluted Basis**" shall mean all the issued and outstanding share capital of the Company, after giving effect to the conversion or exercise (as the case may be) of all convertible securities, options and warrants and anti-dilution rights, as well as all other rights or promises of any kind to acquire equity securities of the Company and/or other securities or rights convertible into or exchangeable for equity shares of the Company outstanding as of such time (excluding, however, the unallocated employee option pool).

"**IPO**" shall mean the consummation of an initial public offering of securities of the Issuer pursuant to an effective registration statement under the United States Securities Act of 1933, as amended, or the Israeli Securities Law – 1968, or equivalent law of another jurisdiction.

"**Loan Amount**" shall have the meaning ascribed thereto in the Agreement.

"**M&A Transaction**" shall have the meaning ascribed thereto in the Agreement.

"**Permitted Transferee**" shall mean any of the following: (i) the limited partners or general partner of the Holder; and (ii) persons or entities that, directly or indirectly, control the general partner or each of the limited partners of the Holder, in each case, to the extent no conflict of interest will occur as a result of the assignment of the Holder's rights under this Warrant to such persons or entities. Provided, that in any case, no transfer or assignment of debt shall be made to any fund or hedge fund whose investment strategy includes purchasing distressed debt, or to a competitor of the Issuer or the Subsidiaries.

"**Preferred Shares**" shall mean Preferred D Shares of the Company (as defined in the Articles).

"**Warrant Shares**" shall mean a number of the Preferred Shares to be issued to the Holder, in the amount of (i) the Exercise Amount, *divided by* (ii) the Exercise Price, and subject to adjustments pursuant to terms hereunder.

2. **Exercise of Warrant**.

(a) Cash Exercise. The purchase rights represented by this Warrant may be exercised by the Holder, in whole or in part, at any time and from time to time during the Exercise Period by the surrender of this Warrant (with the notice of exercise in the form attached hereto as Exhibit A duly executed) and payment to the Company of an amount equal to the Exercise Price multiplied by the number of Warrant Shares being purchased.

(b) In lieu of payment as set forth in Section 2(a) above, the Exercise Price may be set off from any amount owed by the Company to the Holder under the Agreement or any other agreement between them.

(c) This Warrant shall expire upon: (i) the expiration of the Exercise Period; or (ii) the conversion of the Loan Amount into shares of the Company.

(d) Net Exercise. In lieu of the payment method set forth in Section 2(a) above, the Holder may, at any time and from time to time during the Exercise Period, elect to exchange this Warrant for a number of Preferred Shares equal to the number of Preferred Shares computed using the following formula:

$$X = \frac{Y\,(A-B)}{A}$$

Where X = the number of Preferred Shares to be issued to the Holder.

Y = the number of Preferred Shares purchasable under this Warrant (as adjusted to the date of such calculation, but excluding those Preferred Shares already issued under this Warrant).

A = the Fair Market Value (as defined below) of one Warrant Share.

B = Exercise Price (as adjusted to the date of such calculation).

"Fair Market Value" of a Warrant Share shall mean:

(i) If the Company's shares are not publicly traded, then such value as determined by the Company's Board of Directors in good faith, provided, however, that in such case, either the Company's Board of Directors or the Holder shall be entitled to demand that the valuation be supported by an Appraiser whose fees and expenses shall be borne by the Holder.

(ii) If the Warrant is exercised in the context of an IPO, then the value shall be deemed to be the public offering price (before deduction of discounts, commissions or expenses) in such offering.

(iii) If the Warrant is exercised in the context of a merger or acquisition or sale of all or substantially all of the assets of the Company or all or substantially all of the Company's issued and outstanding shares or other transaction defined as an M&A Transaction under subsection (i) of the definition M&A Transaction, then the value shall be deemed to be the price per share of the Company at the closing of such transaction.

(e) Issuance of Shares on Exercise. Upon the exercise of the rights represented by this Warrant, a certificate or certificates for the Exercised Shares, registered in the name of the Holder, shall be issued and delivered to the Holder, together with any cash payment, where applicable, pursuant to Section 5 hereof, by the Company within a reasonable time after the rights represented by this Warrant shall have been so exercised.

(f) Holder of Record. The person in whose name any certificate or certificates for Exercised Shares are to be issued upon exercise of this Warrant shall be deemed to have become the holder of record of such shares on the date on which this Warrant was surrendered and, in case of exercise under Section 2(a) only, upon payment of the Exercise Price, irrespective of the date of delivery of such certificate or certificates.

3. **Company Representations and Warranties; Covenants**.

(a) Due Authorization, Execution and Issuance. The Company represents and warrants to the Holder as follows: (i) this Warrant has been duly authorized and executed by the Company and is a valid and binding obligation of the Company, enforceable in accordance with its terms; (ii) the execution and delivery of this Warrant are not, and the issuance of the Warrant Shares upon exercise hereof, will not be, inconsistent with the Company's governing documents, do not and will not contravene any law, governmental rule or regulation, judgement or order applicable to the Company, and do not and will not conflict with or contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument of which the Company is a party or by which it is bound, or require the consent or approval of, the giving of notice to, the registration with or the taking of any action in respect of or by, any government authority or agency or other person, other than those consents or approvals that shall have been previously obtained.

(b) Covenants as to Exercised Shares. The Company covenants and agrees that all Exercised Shares that may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be validly issued and outstanding, fully paid and non-assessable, and free from all liens and charges with respect to the issuance thereof and free from all preemptive rights of any shareholder. Subject to the provisions of Section 3(c) below, the Company further covenants and agrees that the Company will at all times during the Exercise Period have authorized and reserved, free from preemptive rights, a sufficient number of Preferred Shares to allow for the exercise of rights represented by this Warrant. If at any time during the Exercise Period the number of authorized but unissued Preferred Shares (and ordinary shares issuable upon conversion of such Preferred Shares) shall not be sufficient to permit exercise of this Warrant, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued number of Preferred Shares and ordinary shares to such number of Preferred Shares as shall be sufficient for such purposes.

(c) No Impairment. Except and to the extent as waived or consented to by the Holder, the Company will not, by amendment of its Articles or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out all the provisions of this Warrant and in the taking of all such action as may be reasonably necessary or appropriate in order to protect the exercise rights of the Holder against impairment.

4. **Adjustment of Number of Exercised Preferred Shares and Exercise Price**.

(a) Adjustment for Dividends, Share Splits, Recapitalizations, Etc. In the event of changes in the outstanding share capital of the Company by reason of share dividends, share splits, reverse splits, recapitalizations, reclassifications, combinations or exchanges of shares (including upon an automatic conversion of all outstanding Preferred Shares into ordinary shares in accordance with the terms of the Articles), separations, reorganizations, consolidations or mergers of the Company with or into another person (other than a consolidation or merger of the Company in which the Company is the continuing corporation and which does not result in any reclassification or change of any outstanding shares), or any adjustment of the conversion price of the Preferred Shares in accordance with the Articles and unless this Warrant expires in accordance with the terms herein, the number and class of shares available for purchase under this Warrant in the aggregate and the Exercise Price shall be correspondingly adjusted to give the Holder, on exercise for the same aggregate Exercise Price, the total number and class of shares or other securities or property as the Holder would have owned had this Warrant been exercised prior to such event and had the Holder continued to hold such shares until after the event requiring such adjustment. The form of this Warrant need not be changed because of any adjustment in the number of Exercised Shares subject to this Warrant. For the avoidance of doubt, the Holder shall be entitled to the benefit of all adjustments in the number of ordinary shares of the Company issuable upon conversion of the Preferred Shares which occur prior to the exercise of this Warrant, including without limitation, any increase in the number of ordinary shares issuable upon conversion as a result of a dilutive issuance of share capital.

(b) Notice of Adjustment. If the Company performs any of the actions or enters into any of the transactions described in Section 4(a), then, in any one or more of the said cases, the Company shall give the Holder prior written notice of such actions and/or transactions, including a description thereof and any record date relevant to such actions and transactions. Such written notice shall be given at least seven (7) days prior to the action in question and at least seven (7) days prior to the record date in respect thereto.

(c) Certificate of Adjustment. Whenever the Exercise Price or the number of Exercised Shares purchasable hereunder shall be adjusted pursuant to this Section 4, the Company shall prepare a certificate setting forth, in reasonable detail, the event requiring the adjustment, the amount of the adjustment, the method by which such adjustment was calculated, and the Exercise Price and the number of Exercised Shares purchasable hereunder after giving effect to such adjustment, and shall provide such certificate to the Holder.

5. **Fractional Shares**. No fractional shares shall be issued upon the exercise of this Warrant as a consequence of any adjustment pursuant hereto, and the Warrant Shares issuable hereunder shall be rounded to the closest whole number.

6. **M&A Transaction**. The Company shall provide a notice to the Holder informing it, in sufficient detail, of an M&A Transaction, at least ten (10) Business Days prior to the consummation thereof, all subject to a confidentiality undertaking towards the counterparty to the M&A Transaction.

7. **No Shareholder Rights**. This Warrant in and of itself shall not entitle the Holder to any voting rights or other rights as a shareholder of the Company.

8. **Lost, Stolen, Mutilated or Destroyed Warrant**. If this Warrant is lost, stolen, mutilated or destroyed, the Company shall, on such terms as to indemnity or otherwise as it may reasonably impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination and tenor as this Warrant so lost, stolen, mutilated or destroyed. Any such new Warrant shall constitute an original contractual obligation of the Company, whether or not the allegedly lost, stolen, mutilated or destroyed Warrant shall be at any time enforceable by anyone.

9. **Notices, etc.** All notices and other communications required or permitted hereunder shall be in writing and shall be sent by facsimile or mailed by registered or certified mail, postage prepaid, or by electronic mail, or otherwise delivered personally or by courier, to the addresses stated in the preamble of this Warrant or to such other address, or to the attention of such other person, with respect to a party as such party shall notify the other party in writing as above provided. Any notice sent in accordance with this Section shall be deemed delivered (i) if mailed, three (3) Business Days after mailing, (ii) if sent by courier, upon delivery, and (iii) if sent via facsimile or electronic mail, upon transmission and electronic confirmation of receipt, or, if transmitted and received on a day which is not a Business Day, on the first Business Day following transmission and electronic confirmation of receipt.

10. **Assignment**. The Holder may freely assign, sell or transfer its rights and obligations under this Warrant (in whole, and not in part) to any Permitted Transferee. The Company shall reasonably cooperate as required to complete any such assignment, including (but not limited to) signing all documents and statements of any kind required to complete such transfer.

11. **Governing Law; Jurisdiction**. This Warrant and all rights, obligations and liabilities hereunder shall be governed by and construed in accordance with the laws of the State of Israel, without regard to conflict of law provisions thereof. The competent courts in Tel-Aviv-Jaffa, Israel shall have exclusive jurisdiction over any matter arising in connection with this Warrant.

12. **Modification; Waiver**. Any provision of this Warrant may be amended or waived only by the written consent of the Company and the Holder.

13. **Taxes**.

(a) Each of the Company and the Holder will bear its own tax consequences arising from the grant of this Warrant or exercise of any of the Warrant Shares. To this end, the Company shall withhold any taxes at source to the extent required by applicable law, unless the Holder presents the Company, in a timely manner, with a valid exemption from such withholding at source, issued by the Israeli Tax Authority, in which case the Company shall act in accordance with such certificate. In the event that the Company pays any withholding tax, the Holder shall promptly indemnify the Company for any amounts it has so paid.

(b) Notwithstanding the foregoing, or anything to the contrary herein, the Company may hold in escrow, by itself or through a trustee nominated by the Company, a reasonable amount of Exercised Shares (or any amount of shares to which such Exercised Shares were converted) to secure payment by the Holder of its obligations under this Section 13, unless (i) the Holder has presented to the Company a valid certificate issued by the Israeli Tax Authority providing for exemption from tax withholding at the rate of one hundred percent (100%), at least two (2) Business Days prior to the date in which the Warrant is exercised; or (ii) the Company has received from the Holder an amount of immediately available funds sufficient to cover the potential payment of tax required in connection with the exercise of the applicable Exercised Shares. To the extent the Holder fails to satisfy its obligations hereunder, the Company shall be entitled to sell (or order the trustee to sell, to the extent applicable) such amount of Exercised Shares (or amount of shares to which such Exercised Shares were converted) and use the proceeds received from the sale to pay itself for any amounts the Holder is required to pay under this Section 13.

(c) Without limiting the foregoing, subject to applicable law, the Holder may instruct the Company to not withhold taxes and to hold in escrow, by itself or through a trustee nominated by the Company, a reasonable amount of Exercised Shares (or any amount of shares to which such Exercised Shares were converted) to secure payment by the Holder of its obligations under this Section 13 for a period of up to three (3) months so as to allow the Holder to receive the appropriate exemption from the Israeli Tax Authority.

[Signature Page Follows]

In Witness Whereof, the Company has caused this Warrant to be executed by its duly authorized officer as of the date first set forth above.

Gauzy Ltd.

By: _____
Name:
Title:

Agreed and Acknowledged:

Blue-Red Capital Fund LP

By: _____
Name:
Title:

Exhibit A

NOTICE OF EXERCISE

TO: Gauzy Ltd.

1. Election. The undersigned hereby elects to purchase Preferred Shares of Gauzy Ltd. (the "**Company**") pursuant to the terms of the attached Warrant. Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

2. Form of Warrant Exercise Price. The undersigned intends that payment of the Exercise Price shall be made as:

   2.1. a "Cash Exercise" with respect to _____ Warrant Shares, and tenders herewith payment of $_____;

   2.2. a "Cash Exercise" with respect to _____ Warrant Shares, in consideration for the set off of $_____ owed to the Holder by the Company; and/or

   2.3. a "Cashless Exercise".

3. Issuance Instruction. Please issue a certificate or certificates representing said _____Preferred Shares in the name of the undersigned:

_____
(Name)

_____
_____
(Address)

_____ _____
(Date) (Signature)

_____
(Print name)

EXHIBIT A-2

IBEX SECOND WARRANT

GAUZY LTD.

WARRANT TO PURCHASE PREFERRED SHARES

July 1st , 2022

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR QUALIFIED UNDER ANY STATE OR FOREIGN SECURITIES LAW, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR HYPOTHECATED UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT COVERING THIS WARRANT AND/OR SUCH SECURITIES, OR THE HOLDER RECEIVES AN OPINION OF COUNSEL FOR THE HOLDER OF THE WARRANT AND/OR SUCH SECURITIES SATISFACTORY TO THE COMPANY STATING THAT SUCH SALE, TRANSFER, ASSIGNMENT OR HYPOTHECATION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF THE SECURITIES ACT AND THE QUALIFICATION REQUIREMENTS UNDER APPLICABLE STATE OR FOREIGN LAW.

This Certifies That, for value received, **Ibex Israel Fund LLLP** (the "**Holder**") is entitled to subscribe for and purchase at the Exercise Price (as defined below) from **Gauzy Ltd.**, a company incorporated and existing under the laws of the State of Israel having its principal offices at the 14 Hatchiya St., Tel-Aviv, Israel 6816914 (the "**Company**") the Warrant Shares (as defined below).

14. **Definitions**. Capitalized terms not otherwise defined herein, shall have the meaning ascribed to them in that certain Convertible Loan Agreement by and between the Company and the Holder (as specified therein), dated March 29, 2020, as amended from time to time (the "**Agreement**"). In addition, as used herein, the following terms shall have the following respective meanings:

"**Appraiser**" shall mean a reputable independent appraiser selected by the Holder out of a list of three (3) reputable and independent appraisers suggested by the Company.

"**Articles**" shall mean the Amended and Restated Articles of Association of the Company, as amended from time to time.

"**Exercise Amount**" shall mean an amount equal to eighteen percent (18%) of the total outstanding amount under the Agreement as of July 31, 2022 (i.e., the Loan Amount actually received by the Company plus any and all accrued interest, as of July 31, 2022).

"**Exercise Date**" shall mean the date of exercise of this Warrant.

"**Exercise Period**" shall mean a period commencing as of the date hereof and ending upon the earlier of (i) the tenth (10^{th}) anniversary of: (A) the repayment of the Loan Amount by the Company, or (B) the conversion of the Loan Amount in accordance with the terms of the CLA (whichever occurs first); and (ii) immediately prior to, and subject to the closing of, an IPO or a SPAC Transaction (as defined in the Articles) (whichever occurs first).

"**Exercise Price**" shall mean an exercise price per Warrant Share equal to the price per share equal to the lower of: (i) US$137.36; and (ii) the final issue price per share of the

Company's Preferred Shares.

"**Exercised Shares**" shall mean those Warrant Shares exercised by the Holder pursuant hereto.

"**Fully Diluted Basis**" shall mean all the issued and outstanding share capital of the Company, after giving effect to the conversion or exercise (as the case may be) of all convertible securities, options and warrants and anti-dilution rights, as well as all other rights or promises of any kind to acquire equity securities of the Company and/or other securities or rights convertible into or exchangeable for equity shares of the Company outstanding as of such time (excluding, however, the unallocated employee option pool).

"**IPO**" shall mean the consummation of an initial public offering of securities of the Issuer pursuant to an effective registration statement under the United States Securities Act of 1933, as amended, or the Israeli Securities Law – 1968, or equivalent law of another jurisdiction.

"**Loan Amount**" shall have the meaning ascribed thereto in the Agreement.

"**M&A Transaction**" shall have the meaning ascribed thereto in the Agreement.

"**Permitted Transferee**" shall mean any of the following: (i) the limited partners or general partner of the Holder; and (ii) persons or entities that, directly or indirectly, control the general partner or each of the limited partners of the Holder, in each case, to the extent no conflict of interest will occur as a result of the assignment of the Holder's rights under this Warrant to such persons or entities. Provided, that in any case, no transfer or assignment of debt shall be made to any fund or hedge fund whose investment strategy includes purchasing distressed debt, or to a competitor of the Issuer or the Subsidiaries.

"**Preferred Shares**" shall mean Preferred D Shares of the Company (as defined in the Articles).

"**Warrant Shares**" shall mean a number of the Preferred Shares to be issued to the Holder, in the amount of (i) the Exercise Amount *divided by* (ii) the Exercise Price, and subject to adjustments pursuant to terms hereunder.

15. **Exercise of Warrant**.

(g) Cash Exercise. The purchase rights represented by this Warrant may be exercised by the Holder, in whole or in part, at any time and from time to time during the Exercise Period by the surrender of this Warrant (with the notice of exercise in the form attached hereto as Exhibit A duly executed) and payment to the Company of an amount equal to the Exercise Price multiplied by the number of Warrant Shares being purchased.

(h) In lieu of payment as set forth in Section 2(a) above, the Exercise Price may be set off from any amount owed by the Company to the Holder under the Agreement or any other agreement between them.

(i) This Warrant shall expire upon: (i) the expiration of the Exercise Period; or (ii) the conversion of the Loan Amount into shares of the Company.

(j) Net Exercise. In lieu of the payment method set forth in Section 2(a) above, the Holder may, at any time and from time to time during the Exercise Period, elect to exchange this Warrant for a number of Preferred Shares equal to the number of Preferred Shares computed using the following formula:

$$X = \frac{Y\,(A-B)}{A}$$

Where X = the number of Preferred Shares to be issued to the Holder.

Y = the number of Preferred Shares purchasable under this Warrant (as adjusted to the date of such calculation, but excluding those Preferred Shares already issued under this Warrant).

A = the Fair Market Value (as defined below) of one Warrant Share.

B = Exercise Price (as adjusted to the date of such calculation).

"**Fair Market Value**" of a Warrant Share shall mean:

(iv) If the Company's shares are not publicly traded, then such value as determined by the Company's Board of Directors in good faith, provided, however, that in such case, either the Company's Board of Directors or the Holder shall be entitled to demand that the valuation be supported by an Appraiser whose fees and expenses shall be borne by the Holder.

(v) If the Warrant is exercised in the context of an IPO, then the value shall be deemed to be the public offering price (before deduction of discounts, commissions or expenses) in such offering.

(vi) If the Warrant is exercised in the context of a merger or acquisition or sale of all or substantially all of the assets of the Company or all or substantially all of the Company's issued and outstanding shares or other transaction defined as an M&A Transaction under subsection (i) of the definition M&A Transaction, then the value shall be deemed to be the price per share of the Company at the closing of such transaction.

(k) Issuance of Shares on Exercise. Upon the exercise of the rights represented by this Warrant, a certificate or certificates for the Exercised Shares, registered in the name of the Holder, shall be issued and delivered to the Holder, together with any cash payment, where applicable, pursuant to Section 5 hereof, by the Company within a reasonable time after the rights represented by this Warrant shall have been so exercised.

(l) Holder of Record. The person in whose name any certificate or certificates for Exercised Shares are to be issued upon exercise of this Warrant shall be deemed to have become the holder of record of such shares on the date on which this Warrant was surrendered and, in case of exercise under Section 2(a) only, upon payment of the Exercise Price, irrespective of the date of delivery of such certificate or certificates.

16. **Company Representations and Warranties; Covenants**

(a) Due Authorization, Execution and Issuance. The Company represents and warrants to the Holder as follows: (i) this Warrant has been duly authorized and executed by the Company and is a valid and binding obligation of the Company, enforceable in accordance with its terms; (ii) the execution and delivery of this Warrant are not, and the issuance of the Warrant Shares upon exercise hereof, will not be, inconsistent with the Company's governing documents, do not and will not contravene any law, governmental rule or regulation, judgement or order applicable to the Company, and do not and will not conflict with or contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument of which the Company is a party or by which it is bound, or require the consent or approval of, the giving of notice to, the registration with or the taking of any action in respect of or by, any government authority or agency or other person, other than those consents or approvals that shall have been previously obtained.

(b) Covenants as to Exercised Shares. The Company covenants and agrees that all Exercised Shares that may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be validly issued and outstanding, fully paid and non-assessable, and free from all liens and charges with respect to the issuance thereof and free from all preemptive rights of any shareholder. Subject to the provisions of Section 3(c) below, the Company further covenants and agrees that the Company will at all times during the Exercise Period have authorized and reserved, free from preemptive rights, a sufficient number of Preferred Shares to allow for the exercise of rights represented by this Warrant. If at any time during the Exercise Period the number of authorized but unissued Preferred Shares (and ordinary shares issuable upon conversion of such Preferred Shares) shall not be sufficient to permit exercise of this Warrant, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued number of Preferred Shares and ordinary shares to such number of Preferred Shares as shall be sufficient for such purposes.

(c) No Impairment. Except and to the extent as waived or consented to by the Holder, the Company will not, by amendment of its Articles or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out all the provisions of this Warrant and in the taking of all such action as may be reasonably necessary or appropriate in order to protect the exercise rights of the Holder against impairment.

17. **Adjustment of Number of Exercised Preferred Shares and Exercise Price.**

(a) Adjustment for Dividends, Share Splits, Recapitalizations, Etc. In the event of changes in the outstanding share capital of the Company by reason of share dividends, share splits, reverse splits, recapitalizations, reclassifications, combinations or exchanges of shares (including upon an automatic conversion of all outstanding Preferred Shares into ordinary shares in accordance with the terms of the Articles), separations, reorganizations, consolidations or mergers of the Company with or into another person (other than a consolidation or merger of the Company in which the Company is the continuing corporation and which does not result in any reclassification or change of any outstanding shares), or any adjustment of the conversion price of the Preferred Shares in accordance with the Articles and unless this Warrant expires in accordance with the terms herein, the number and class of shares available for purchase under this Warrant in the aggregate and the Exercise Price shall be correspondingly adjusted to give the Holder, on exercise for the same aggregate Exercise Price, the total number and class of shares or other securities or property as the Holder would have owned had this Warrant been exercised prior to such event and had the Holder continued to hold such shares until after the event requiring such adjustment. The form of this Warrant need not be changed because of any adjustment in the number of Exercised Shares subject to this Warrant. For the avoidance of doubt, the Holder shall be entitled to the benefit of all adjustments in the number of ordinary shares of the Company issuable upon conversion of the Preferred Shares which occur prior to the exercise of this Warrant, including without limitation, any increase in the number of ordinary shares issuable upon conversion as a result of a dilutive issuance of share capital.

(b) Notice of Adjustment. If the Company performs any of the actions or enters into any of the transactions described in Section 4(a), then, in any one or more of the said cases, the Company shall give the Holder prior written notice of such actions and/or transactions, including a description thereof and any record date relevant to such actions and transactions. Such written notice shall be given at least seven (7) days prior to the action in question and at least seven (7) days prior to the record date in respect thereto.

(c) Certificate of Adjustment. Whenever the Exercise Price or the number of Exercised Shares purchasable hereunder shall be adjusted pursuant to this Section 4, the Company shall prepare a certificate setting forth, in reasonable detail, the event requiring the adjustment, the amount of the adjustment, the method by which such adjustment was calculated, and the Exercise Price and the number of Exercised Shares purchasable hereunder after giving effect to such adjustment, and shall provide such certificate to the Holder.

18. **Fractional Shares**. No fractional shares shall be issued upon the exercise of this Warrant as a consequence of any adjustment pursuant hereto, and the Warrant Shares issuable hereunder shall be rounded to the closest whole number.

19. **M&A Transaction**. The Company shall provide a notice to the Holder informing it, in sufficient detail, of an M&A Transaction, at least ten (10) Business Days prior to the consummation thereof, all subject to a confidentiality undertaking towards the counterparty to the M&A Transaction.

20. **No Shareholder Rights**. This Warrant in and of itself shall not entitle the Holder to any voting rights or other rights as a shareholder of the Company.

21. **Lost, Stolen, Mutilated or Destroyed Warrant**. If this Warrant is lost, stolen, mutilated or destroyed, the Company shall, on such terms as to indemnity or otherwise as it may reasonably impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination and tenor as this Warrant so lost, stolen, mutilated or destroyed. Any such new Warrant shall constitute an original contractual obligation of the Company, whether or not the allegedly lost, stolen, mutilated or destroyed Warrant shall be at any time enforceable by anyone.

22. **Notices, etc**. All notices and other communications required or permitted hereunder shall be in writing and shall be sent by facsimile or mailed by registered or certified mail, postage prepaid, or by electronic mail, or otherwise delivered personally or by courier, to the addresses stated in the preamble of this Warrant or to such other address, or to the attention of such other person, with respect to a party as such party shall notify the other party in writing as above provided. Any notice sent in accordance with this Section shall be deemed delivered (i) if mailed, three (3) Business Days after mailing, (ii) if sent by courier, upon delivery, and (iii) if sent via facsimile or electronic mail, upon transmission and electronic confirmation of receipt, or, if transmitted and received on a day which is not a Business Day, on the first Business Day following transmission and electronic confirmation of receipt.

23. **Assignment**. The Holder may freely assign, sell or transfer its rights and obligations under this Warrant (in whole, and not in part) to any Permitted Transferee. The Company shall reasonably cooperate as required to complete any such assignment, including (but not limited to) signing all documents and statements of any kind required to complete such transfer.

24. **Governing Law; Jurisdiction**. This Warrant and all rights, obligations and liabilities hereunder shall be governed by and construed in accordance with the laws of the State of Israel, without regard to conflict of law provisions thereof. The competent courts in Tel-Aviv-Jaffa, Israel shall have exclusive jurisdiction over any matter arising in connection with this Warrant.

25. **Modification; Waiver**. Any provision of this Warrant may be amended or waived only by the written consent of the Company and the Holder.

26. **Taxes**.

(a) Each of the Company and the Holder will bear its own tax consequences arising from the grant of this Warrant or exercise of any of the Warrant Shares. To this end, the Company shall withhold any taxes at source to the extent required by applicable law, unless the Holder presents the Company, in a timely manner, with a valid exemption from such withholding at source, issued by the Israeli Tax Authority, in which case the Company shall act in accordance with such certificate. In the event that the Company pays any withholding tax, the Holder shall promptly indemnify the Company for any amounts it has so paid.

(b) Notwithstanding the foregoing, or anything to the contrary herein, the Company may hold in escrow, by itself or through a trustee nominated by the Company, a reasonable amount of Exercised Shares (or any amount of shares to which such Exercised Shares were converted) to secure payment by the Holder of its obligations under this Section 13, unless (i) the Holder has presented to the Company a valid certificate issued by the Israeli Tax Authority providing for exemption from tax withholding at the rate of one hundred percent (100%), at least two (2) Business Days prior to the date in which the Warrant is exercised; or (ii) the Company has received from the Holder an amount of immediately available funds sufficient to cover the potential payment of tax required in connection with the exercise of the applicable Exercised Shares. To the extent the Holder fails to satisfy its obligations hereunder, the Company shall be entitled to sell (or order the trustee to sell, to the extent applicable) such amount of Exercised Shares (or amount of shares to which such Exercised Shares were converted) and use the proceeds received from the sale to pay itself for any amounts the Holder is required to pay under this Section 13.

(c) Without limiting the foregoing, subject to applicable law, the Holder may instruct the Company to not withhold taxes and to hold in escrow, by itself or through a trustee nominated by the Company, a reasonable amount of Exercised Shares (or any amount of shares to which such Exercised Shares were converted) to secure payment by the Holder of its obligations under this Section 13 for a period of up to three (3) months so as to allow the Holder to receive the appropriate exemption from the Israeli Tax Authority.

[Signature Page Follows]

In Witness Whereof, the Company has caused this Warrant to be executed by its duly authorized officer as of the date first set forth above.

Gauzy Ltd.

By: _____
Name:
Title:

Agreed and Acknowledged:

Ibex Israel Fund LLLP

By: _____
Name:
Title:

[Signature Page Warrant]

Exhibit A

NOTICE OF EXERCISE

TO: Gauzy Ltd.

4. Election. The undersigned hereby elects to purchase Preferred Shares of Gauzy Ltd. (the "**Company**") pursuant to the terms of the attached Warrant. Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

5. Form of Warrant Exercise Price. The undersigned intends that payment of the Exercise Price shall be made as:

5.1. a "Cash Exercise" with respect to _____ Warrant Shares, and tenders herewith payment of $_____;

5.2. a "Cash Exercise" with respect to _____ Warrant Shares, in consideration for the set off of $_____ owed to the Holder by the Company; and/or

5.3. a "Cashless Exercise".

6. Issuance Instruction. Please issue a certificate or certificates representing said _____Preferred Shares in the name of the undersigned:

_____
(Name)

_____
_____
(Address)

_____ _____
(Date) (Signature)

_____
(Print name)

Exhibit 10.14

FOURTH AMENDMENT TO CONVERTIBLE LOAN AGREEMENT

This Fourth Amendment (this "**Amendment**") to that certain Convertible Loan Agreement is entered into on July 31, 2023 by and between Gauzy Ltd., a company incorporated and existing under the laws of the State of Israel having its principal offices at the 14 Hatchiya St., Tel-Aviv, Israel 6816914 (the "**Company**"), Blue-Red Capital Fund LP, a limited liability partnership registered in the Cayman Islands ("**Blue-Red**), and Ibex Israel Fund LLLP, a limited liability partnership registered in the State of Delaware ("**IBEX**" and together with Blue-Red, the "**Lenders**") .. Each of the Company, Blue-Red and IBEX may be referred to herein as a "**Party**", and collectively, the "**Parties**".

WHEREAS, the Company and Blue-Red entered into the certain Convertible Loan Agreement, dated January 29, 2020 (the "**Initial CLA**"), pursuant to which Blue-Red provided the Company with a convertible loan in an amount of US$2,000,000 (the "**Initial Loan Amount**"), and pursuant to which, Blue-Red were issued a Warrant (of even date thereof), as was attached as Exhibit A to the Initial CLA (the "**Initial Blue-Red Warrant**");

WHEREAS, the Initial CLA was amended on March 29, 2020 (the "**First Amendment**"), for the purpose of receiving the additional funds from IBEX, and Avery Dennison Israel Ltd., a company incorporated under the laws of the State of Israel ("**AD**") and pursuant to which, inter alia, IBEX were issued a Warrant (of even date thereof), as was attached as Exhibit II to the First Amendment (the "**Initial IBEX Warrant**" and together with the Initial Blue-Red Warrant, the "**Initial Warrants**");

WHEREAS, AD converted the amount of US $200,000, which they provided pursuant to the First Amendment, into Series C Preferred Shares of the Company in January 2020, and is no long a Party to the CLA;

WHEREAS, on October 17, 2021, the Company, Blue-Red and Ibex entered into a second amendment to the Initial CLA as amended (the "**Second Amendment**", and together with the Initial CLA and the First Amendment, the "**CLA**"), for the purpose of amending certain terms of the CLA;

WHEREAS, on July 1, 2022, the Company, Blue-Red and Ibex entered into a third amendment to the Initial CLA as amended (the "**Third Amendment**", and together with the Initial CLA and the First Amendment and the Second Amendment the "**CLA**"), for the purpose of amending certain terms of the CLA; and

WHEREAS, Blue-Red, Ibex and the Company have agreed to amend the CLA as set forth hereunder:

NOW, THEREFORE, the Parties hereby agree as follows:

1. The Amended Final Date (as defined in the Third Amendment) shall be amended such that it shall be extended for an additional twenty-four (24) months to 00:00 on July 31, 2025.

2. Section 2.2 of the Initial CLA shall be amended such that the following shall be added to the Section:

"*Notwithstanding the foregoing, as of August 1, 2023 (the "**Additional Accrual Date**"), the interest shall be amended to reflect a net interest rate of twelve percent (12%) per annum, compounded on a yearly basis. However, in any event, and regardless of the due date of the interest as set forth in the Third Amendment, the total interest accrued from the Additional Accrual Date shall be no less than twenty-four percent (24%).*"

---

3. The calculation of the Interest up to the date hereof, and until the Amended Final Date as determined in Section 1 above, is attached as **Annex A** hereto.

4. Section 5 of the Initial CLA shall be deleted entirely and replaced by:

"*Unless earlier converted pursuant to Section 6 below, the Loan Amount shall be repaid by the Company to the Lender in cash, upon an Event of Default as defined in Section 7 below or at the Final Date upon written notice to the Company. All accrued and unpaid Interest shall be dealt with in accordance with Section 6.5 (as amended). No repayment of the Loan Amount by the Company shall be permitted, without the prior written consent of the Lender.*"

5. Section 3 of The Third Amendment shall be deleted in its entirety, and Section 6.1 of the Initial CLA shall be deleted entirely and replaced by:

"*Unless earlier converted pursuant to this Section 6 or repayment pursuant to Section 5 above: (i) upon the closing of a Qualified Financing the Lender may require the Company to convert the Loan Amount into shares of the Company; and (ii) immediately prior to, and subject to the closing of, an IPO or a SPAC Transaction (whichever occurs first), the Loan Amount shall automatically convert into shares of the Company. In the event of such conversion, the Lender shall receive, in consideration for the conversion of the Loan Amount, such number of fully paid and non-assessable Company shares of the most senior class issued in such Qualified Financing or IPO or a SPAC Transaction (and also bearing the same rights with respect to the holders thereof), equal to the number determined by dividing the Loan Amount by $67.27 per share. For the purposes hereof, "IPO" and "SPAC Transaction" shall have the meaning given to them in the articles of association of the Company, as in effect from time to* time*. For the avoidance of doubt, the Interest shall be dealt with in accordance with Section 6.5 below.*"

6. Section 6.5 of the Initial CLA shall be deleted entirely and replaced by:

"*The Lender shall have the rights, at its sole discretion, to receive the accrued interest as specified in Clause 2.2(d) as a cash payment or to convert the shares of the Company immediately prior to a Qualified Financing or IPO or a SPAC Transaction (and also bearing the same rights with respect to the holders thereof), equal to the number determined by dividing the accrued interest by $47.087 per share. For the purposes hereof, "IPO" and "SPAC Transaction" shall have the meaning given to them in the articles of association of the Company, as in effect from time to time.*"

7. Unless otherwise expressly stated, capitalized terms used herein shall have the meanings assigned thereto in the CLA.

8. This Amendment forms an integral part of the CLA. All of the terms and conditions of the CLA as amended by the previous Amendments, shall remain in full force and effect, except as expressly amended by this Amendment.

9. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have signed this Amendment as of the date first written above:

Ibex Israel Fund LLLP

By: /s/ Brian T. Abrams
Name: Brian T. Abrams
Title: President

Blue-Red Capital Fund LP.

By: /s/ Yishai Klein
Name: Yishai Klein
Title: Managing Partner

Gauzy Ltd.

By: /s/ Eyal Peso

Name: Eyal Peso
Title: CEO

ANNEX A
INTEREST CALCULATION

BLUE-RED CAPITAL FUND LP

DATE	LOAN AMOUNT	INTEREST %	INTEREST	TOTAL
January 29, 2020 – July 31, 2021	$ 2,000,000	15%	$ 300,000	$ 2,300,000
August 1, 2021 – July 31, 2022	$ 2,300,000	10%	$ 238,770	$ 2,538,770
August 1, 2022 – July 31, 2023	$ 2,538,770	12%	$ 318,638	$ 2,857,408
August 1, 2023 – July 31, 2025	$ 2,857,408	24%	$ 685,778	$ 3,543,188

IBEX ISRAEL FUND LLLP

DATE	LOAN AMOUNT	INTEREST %	INTEREST	TOTAL
March 29, 2020 – July 31,	$ 350,000	15%	$ 52,500	$ 402,500
August 1, 2021 – July 31, 2022	$ 402,500	10%	$ 41,785	$ 444,285
August 1, 2022 – July 31, 2023	$ 444,285	12%	$ 55,762	$ 500,046
August 1, 2023 – July 31, 2025	$ 500,046	24%	$ 120,011	$ 620,057

Exhibit 10.15

CONVERTIBLE LOAN AGREEMENT

THIS CONVERTIBLE LOAN AGREEMENT (the "**Agreement**") is made and entered into as of March 31, 2023 (the "**Effective Date**") by and among Gauzy Ltd., a company incorporated and existing under the laws of the State of Israel having its principal offices at the 14 Hatchiya St., Tel-Aviv, Israel 6816914 (the "**Company**"), and each of the entities and/or persons listed on **Exhibit A** hereto (each, a "**Lender**" and collectively, the "**Lenders**").

WHEREAS, the Lenders wish to extend to the Company one or more convertible loans in a collective aggregate amount not to exceed US$20,000,000 (the "**Loan Maximum**"), in such allocation as set forth across from each Lender's name in Exhibit A under the column entitled, "**Loan Amount**", subject to the terms and conditions of this Agreement (each, a "**Loan**" and collectively, the "**Loans**"); and

WHEREAS, the Company wishes to accept such Loans pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the parties hereby agree as follows:

1. DEFINITIONS

1.1 "**Articles**" shall mean the articles of association of the Company in effect on the Effective Date.

1.2 "**Business Day**" shall mean any day other than Friday or Saturday, and other than days on which banks in Israel are generally closed.

1.3 "**Bonus Period**" shall mean the period between such Overallotment Lender's Disbursement Date and the expiration of one (1) year and 326 days thereof;

1.4 "**Company Intellectual Property**" means all patents, patent applications, registered and unregistered trademarks, trademark applications, registered and unregistered service marks, service mark applications, tradenames, copyrights, trade secrets, domain names, mask works, information and proprietary rights and processes, similar or other intellectual property rights, subject matter of any of the foregoing, tangible embodiments of any of the foregoing, licenses in, to and under any of the foregoing, and in any and all such cases that are owned or used by the Company in the conduct of the Company's business as now conducted.

1.5 "**Conversion Event**" shall mean an event upon which the Loan Amount is converted pursuant to Sections 6.1, 6.2, 6.3, 6.4, or 6.5.

1.6 "**Conversion Shares**" shall mean, in each case when issued, a newly created series of the Company's preferred equity having, except as provided below, such rights and privileges as the Company's then most recently authorized series of preferred equity (and also bearing the same rights with respect to the holders thereof, but which may be a separate sub-class due to differing original issue prices) sold in a *bona fide* fundraising to cash investors in purchasing an aggregate of not less than US$5,000,000 of such preferred equity in such fundraising; *provided*, *however*, that:

1.6.1 For purposes of price-based anti-dilution protection and the calculation of dividend rights, if any, the initial conversion price (or similar) for each series of preferred equity comprising Conversion Shares shall be based on the applicable price per share at which the Lender Loan Amount actually converted into such series of preferred equity;

1.6.2 The liquidation preference of the Conversion Shares shall be senior in priority of payment in the event of any Liquidation or Disbursement (as defined in the Articles, including any terms of similar meaning in any amendments to the Articles from time to time) to all other classes and series of Company equity that is then authorized or outstanding (other than with respect to other preferred equity issued as Conversion Shares to Lenders pursuant to conversions under this Agreement, all of which shall be *pari passu* among such classes and series);

1.6.3 With respect to any Conversion Shares issued to Overallotment Lenders, such series of preferred equity shall have a liquidation preference equal to two (2) times the applicable price per share at which such Overallotment Lender's Lender Loan Amount converted;

1.6.4 With respect to any Conversion Shares issued to Lenders who are *not* Overallotment Lenders, such series of preferred equity shall have a liquidation preference that is equal to one and one half (1.5) times the price per share at which such Lender's Lender Loan Amount converted;

1.6.5 With respect to any Conversion Shares issued in connection with a Qualified Financing, the Conversion Shares shall be such series of preferred equity issued in such Qualified Financing bearing the same rights with respect to the investors in the Qualified Financing, but which may be a separate sub-class due to differing original issue prices; and

1.6.6 With respect to any Conversion Shares issued pursuant to Section 6.5, the Conversion Shares shall be the then most recently authorized series of preferred equity (and also bearing the same rights with respect to the holders thereof, but which may be a separate sub-class due to differing original issue prices).

1.7 "**Deemed Liquidation**" shall have the meaning as set out in the Articles.

1.8 "**Deemed Liquidation PPS**" shall mean a price per share derived by *multiplying* (i) the quotient obtained by *dividing* (a) the aggregate consideration paid in connection with a Deemed Liquidation to (without double counting) the Company, its affiliates and/or all holders of Company equity or equity-linked securities or rights, *by* (b) the Company's share capital as of immediately prior to such Deemed Liquidation calculated on a Fully Diluted Basis (excluding any Company equity or equity-linked securities or rights that will be cancelled in connection with, and will not have rights to receive any consideration in or as a result of, such Deemed Liquidation); by (ii) 0.75.

1.9 "**Existing Loan**" shall mean that certain loan facility agreement entered into by and between the Company, Klirmark and Davidson & W Technology Growth Cayman LP dated as of January 19, 2022 as amended on April 25, 2022 and as may be amended from time to time (the "**Existing Lender**").

1.10 "**Expiration Date**" shall have the meaning as set out in Section 6.4 below.

1.11 "**Final Date**" shall mean the third (3rd) anniversary from the relevant Lender's Disbursement Date.

1.12 "**Final Date PPS**" shall mean the price per share derived by *multiplying* (i) the quotient obtained by *dividing* the pre-money Company valuation of: US$ 600,000,000, *by* (B) the Company's outstanding share capital as of immediately prior to the applicable conversion calculated on a Fully Diluted Basis; by (ii) 0.75.

1.13 "**Fully Diluted Basis**" shall mean, as of a given time, all the then issued and outstanding share capital of the Company, after giving effect to the conversion or exercise (as the case may be) of all convertible securities, options and warrants and anti-dilution rights, as well as all other rights or promises of any kind to acquire equity securities of the Company and/or other securities or rights convertible into or exchangeable for equity shares of the Company outstanding as of such time.

1.14 "**IPO**" shall have the meaning as set out in the Articles.

1.15 "**IPO PPS**" shall mean a price per share derived by *multiplying* (A) the lower of: (i) the lowest offering price to the public for the Company's securities offered in connection with, and at the consummation of, such IPO; and (ii) the quotient obtained by dividing (x) US$ 600,000,000 by (y) the Company's outstanding share capital as of immediately prior to the consummation of the IPO calculated on a Fully Diluted Basis and *by* (B) 0.75.

1.16 "**Liquidation**" shall have the meaning as set out in the Articles.

1.17 "**Optional PPS**" shall mean the price per share derived by *multiplying* (i) the quotient obtained by *dividing* (A) the pre-money valuation utilized to derive the price per share paid by cash investors investing an aggregate of not less than US$5,000,000 in the Company's most recent *bona fide* equity financing prior to the applicable conversion date,*by* (B) the Company's outstanding share capital as of immediately prior to the applicable conversion calculated on a Fully Diluted Basis; *by* (ii) 0.75.

1.18 "**Qualified Financing**" shall mean the Company's next *bona fide* preferred equity financing following the date of this Agreement.

1.19 "**Qualified Financing PPS**" shall mean the price per share derived by *multiplying* (i) the lowest price per share paid by cash investors participating in such Qualified Financing *by* (ii) 0.75.

1.20 "**Required Pro Rata Portion**" shall mean each of the Lenders' pro rata portion of the Company's preferred shares as of the Effective Date, as set forth across from such Lender's name on **Annex A** (under the column entitled "*Required Pro Rata Percentage*").

1.21 "**Resonac Assets**" shall mean all assets and rights acquired by the Company or its affiliates in connection with the acquisition of the SPD business (including but not limited to the intellectual property and know-how, (including those of its subsidiaries), securities, rights deriving from agreements, bank accounts and accounts receivable) of Resonac Corporation Co., Ltd. (formerly known as Showa Denko Materials. Co., Ltd.).

1.22 "**Underlying Assets**" shall mean the Company's assets, including, but not limited to, shares (including those of its subsidiaries), securities, rights deriving from agreements, bank accounts, accounts receivable and intellectual property.

2. LOAN

2.1 Subject to the terms contained herein, each of the Lenders shall pay to the Company its portion of the Loan Amount as set forthacross from such Lender's name on **Annex A** (such Lender's "**Lender Loan Amount**").

2.2 Each Lender's Lender Loan Amount shall be paid to the Company within seven (7) Business Days of such Lender entering into this Agreement (such payment date, a "**Disbursement Date**"), to be paid to a bank account of the Company as set forth in Section 2.4 below.

2.3 Each Lender's Loan Amount shall bear interest at a rate of twelve percent (12%) per annum (compounded annually) (the "**Interest**"). The Interest shall be due and payable upon repayment in accordance with Section 5 below, or upon the conversion of the Loan Amount in accordance with Section 6 below; Notwithstanding the foregoing, any Lender extending an amount which reflects an increase of thirty percent (30%) or more over its Required Pro Rata Portion based on a loan amount of US $15,000,000 (each such Lender, an "**Overallotment Lender**"), then such Overallotment Lender's Lender Loan Amount shall bear simple non-compounding interest of twenty-four percent (24%) (the "**Overallotment Interest**") from the relevant Disbursement Date until the earlier of the expiration of the Bonus Period or the repayment or conversion of such Overallotment Lender's Lender Loan Amount. Following the Bonus Period, such (including the Overallotment Interest) shall continue to bear Interest at the rate as set forth in the first sentence above.

2.4 The payment by the Lenders of their Lender's Loan Amount shall be made in United States dollars (herein, "**US$**"), by wire transfer to the Company's bank account as follows:

Bank: Mizrahi Tefahot
Branch: Atidim No. 528, 26a Ha'Barzel St., Tel Aviv
Account No.: 145862
IBAN: IL23-0205-2800-0000-0145-862
SWIFT: MIZBILIT
Beneficiary: Gauzy Ltd.

2.5 Exhibit A may be amended to add additional Lenders who have executed a joinder in the form attached as **Exhibit B** (a "**Joinder**"). Any such additional Lender executing a Joinder (each an "**Additional Lender**"), shall be considered as a "Lender" hereunder for all purposes.

3. WARRANT

3.1 Each Lender shall be entitled to receive from the Company a warrant entitling such Lender to acquire additional shares of capital stock of the Company of such type, in such number, and on such terms as set forth in the form of Warrant to Purchase Preferred Shares attached hereto as **Exhibit C** (each a "**Warrant**"). Upon each Lender's transfer of their Lender's Loan Amount, the Company shall issue and deliver a Warrant to such Lender in accordance with the above.

4. SECURITY

4.1 The repayment by the Company of the Loan Amount in accordance with this Agreement shall be (i) secured by a first ranking floating charge, under Israeli law, unlimited in amount, on all of the Resonac Assets, once the Company has completed the acquisition of the Resonac Assets pursuant to a pledge agreement in the form attached hereto as **Exhibit D** (the "**Pledge**") and (ii) subordinated to the Existing Loan.

4.2 Within sixty (60) days following the later of: (i) the completion of the Company's acquisition of the Resonac Assets, or (ii) the Disbursement Date, the Company shall make reasonable commercial efforts to provide to such Lender confirmation of due registration of the Pledge with the Israeli Registrar of Companies.

4.3 For the avoidance of doubt, each of the Lenders shall not have the right to enforce the floating charges in an amount in excess of the total amount owed to such Lender at such time pursuant to this Agreement.

5. **REPAYMENT**

5.1 Unless earlier converted pursuant to Section 6 below, the Company shall repay in cash to each Lender its Lender Loan Amount plus, any and all accrued interest in accordance with Section 2.1, upon (i) an Event of Default as defined in Section 7 below, (ii) the consummation of the IPO (if such Lender elects to be repaid from the IPO proceeds pursuant to the terms of Section 6.1), (iii) the consummation of a Deemed Liquidation pursuant to the terms of Section 6.2 (if such Lender elects to be repaid upon the consummation of a Deemed Liquidation pursuant to the terms of Section 6.2), or (iv) the date that is no later than ten (10) Business Days following the Expiration Date pursuant to the terms of Section 6.4 (if such Lender does not elect to convert its Lender Loan Amount pursuant to the terms of Section 6.4).

6. CONVERSION

6.1 **Conversion Upon IPO**

Unless earlier converted pursuant to this Section 6 or repaid pursuant to the terms of Section 5 above, immediately prior to an IPO, and to be effective upon the consummation thereof, each Lender shall either require the Company to either (i) repay its Lender Loan Amount and the Interest in accordance with Sections 5 and 6.8 from the IPO proceeds, which the Company shall effectuate not later than ten (10) Business Days following the consummation of the IPO by wire transfer of immediately available funds to a bank account designated by the Lender, or (ii) automatically convert, immediately prior to the IPO, its Lender Loan Amount into an equity investment in the Company, and shall receive that number of Conversion Shares equal to the quotient of (i) the Lender Loan Amount (plus any and all accrued and unpaid Interest if so elected by such Lender pursuant to Section 6.8.5 below), *divided* by (ii) the IPO PPS.

6.2 **Conversion Upon Deemed Liquidation**

In the event the Company undergoes a Deemed Liquidation prior to an IPO, a conversion pursuant to this Section 6 or repayment pursuant to Section 5 above, each Lender may require the Company to either (i) repay its Lender Loan Amount and the Interest in accordance with Sections 5 and 6.8, which the Company shall cause to be effectuated on or as soon as reasonably practicable following the consummation of the Deemed Liquidation by wire transfer of immediately available funds to a bank account designated by such Lender as part of the flow of funds in such Deemed Liquidation event, or (ii) convert its Lender Loan Amount into that number of Conversion Shares as equals the quotient of (i) the Lender Loan Amount (plus any and all accrued and unpaid Interest if so elected by such Lender pursuant to Section 6.8.5 below), *divided* by (ii) the Deemed Liquidation PPS.

6.3 **Conversion upon Qualified Financing**

In the event the Company completes a Qualified Financing prior to an IPO, a conversion pursuant to this Section 6, or repayment pursuant to Section 5 above, each Lender may require the Company to convert the Lender Loan Amount (plus any and all accrued and unpaid Interest if so elected by such Lender pursuant to Section 6.8.5 below), as of immediately prior to the initial closing of such Qualified Financing, into that number of Conversion Shares as is equal to the quotient of the (i) Lender Loan Amount (plus any and all accrued and unpaid Interest if so elected by such Lender, pursuant to Section 6.8.5 below), *divided* by (ii) the Qualified Financing PPS.

6.4 **Optional Conversion or Repayment**

Unless earlier converted pursuant to this Section 6 or repayment pursuant to Section 5 above, following the Company's written notice of repayment to a Lender of such Lender's Lender Loan Amount and the Interest in accordance with Sections 5 and 6.8, which the Company may send at any time, such Lender may elect by written notice to the Company delivered no later than ten (10) Business Days following receipt of the repayment notice from the Company (the "**Expiration Date**") to convert the Lender Loan Amount into that number of Conversion Shares equal to the quotient of (i) the Lender Loan Amount (plus any and all accrued and unpaid Interest if so elected by such Lender pursuant to Section 6.8.5 below), *divided* by (ii) the Optional PPS. Any Lender who does not so notify the Company by the Expiration Date shall be deemed to have elected to have the Company repay its Lender Loan Amount.

6.5 **Final Date Conversion**

Unless earlier converted pursuant to this Section 6 or repayment pursuant to Section 5 above, as of the Final Date, the Lender may elect to convert its Lender Loan Amount into an equity investment in the Company, by way of written notice to the Company, and shall receive that number of Conversion Shares equal to the quotient of (i) the Lender Loan Amount (plus any and all accrued and unpaid Interest if so elected by such Lender pursuant to Section 6.8.5 below), *divided* by (ii) the Final Date PPS. Notwithstanding the above, in case of a conversion pursuant to Sections 6.1, 6.2, or 6.3 after the Final Date, a conversion pursuant to this Section 6.5 shall not apply.

6.6 **Notice of Conversion**

Prior to a (i) IPO, (ii) Qualified Financing, or (iii) Deemed Liquidation,, but no less than fifteen (15) days prior to the expected closing or consummation thereof, the Company shall notify the Lenders in writing (including by email) of such event, and the Lenders shall have seven (7) days to notify the Company in writing (including by email) of its election to have the Loan Amount repaid or converted in accordance with Sections 6.1, 6.2, 6.3 (only conversion), as the case may be. With respect to Sections 6.1 and 6.2, any Lender who does not so notify the Company within the requisite time shall be deemed to have elected to convert its Lender Loan Amount in accordance with Sections 6.1 or 6.2, as the case may be. With respect to Section 6.5, following the Final Date the Lenders shall notify the Company in writing (including by email) of its election to have the Lender Loan Amount converted, in accordance with Section 6.5.

6.7 **Effects of Conversion & Partial Conversion and Repayment**

6.7.1 The issuance to a Lender of any securities of the Company in the event of conversion pursuant to the terms and conditions set forth herein shall be deemed full and complete payment and discharge of the Lender Loan Amount extended by such Lender.

6.7.2 Upon notice of an event pursuant to Sections 6.1 and 6.4, a Lender may elect, by written notice to the Company, to have its Lender Loan Amount partially converted and partially repaid. With respect to the portion of the Lender Loan Amount so elected to be converted by such Lender, the calculation of the number of Conversion Shares to be issued shall be based on the amount so elected to be converted (plus any and all accrued and unpaid Interest on such amount if so elected by such Lender pursuant to Section 6.8.5 below).

6.8 **Mechanics of Conversion**

In the event of any conversion by a Lender of its respective Lender Loan Amount pursuant to this Agreement, the following provisions shall apply:

6.8.1 Fractional Shares. No fractional shares shall be issued in connection with any conversion of the Lender Loan Amount, and the actual number of shares of the Company to be issued to such Lender shall be rounded to the nearest whole number.

6.8.2 Issuance; Share Certificate. The Company shall, immediately upon any conversion of the Lender Loan Amount, issue and deliver to the Lender a certificate representing the number of shares issued to such Lender pursuant to such conversion.

6.8.3 Rights as Shareholder. From the date of occurrence of a conversion and thereafter, the Lender shall be deemed to possess all rights, preferences, powers, privileges, restrictions, qualifications and limitations associated with the Company's shares issued upon such conversion to such Lender.

6.8.4 Due Issuance; Effect of Conversion. Upon any conversion of the Lender Loan Amount, the Company shall promptly issue to the Lender the appropriate number and class or series of shares, duly authorized, validly issued, fully-paid, non-assessable and free and clear of any pre-emptive rights, pledges, liens, claims, encumbrances or third party rights of any kind other than as set forth in the Articles.

6.8.5 Tax Withholding. Any taxes, levies, charges and other duties or other amounts, that are levied or due in connection with the issuance of any shares to the Lenders shall be borne by the respective Lender. In the event that pursuant to any law or regulation, tax is required to be withheld at source from any payment, the Company shall withhold said tax at the rate set forth in the certification issued by applicable tax authority at the rate determined by said law or regulation, unless such Lender has presented the Company with a valid tax withholding exemption certificate or certificate for reduced tax rate, issued by the applicable tax authority. In the event that pursuant to any law or regulation, tax is required to be withheld at source from or in connection with the issuance of the Company's shares pursuant to the conversion of the Loan Amount (the "**Withholding Amount**") and unless a Lender has presented the Company with a valid exemption certificate, then the Lender may elect by written notice to the Company (i) to convert the full amount of the Interest due and owing into shares of the Company pursuant to the terms of this Section 6, and shall pay the Company, in cash, an amount equal to the Withholding Amount which is attributed to the Interest so owed to them; or (ii) the Company shall deduct the Withholding Amount from the total amount of Interest owed to such Lender, which it shall remit to the relevant governmental authorities, and the remaining amount shall be converted into shares of the Company pursuant to the terms of this Section 6.

7. EVENTS OF DEFAULT

Notwithstanding anything to the contrary herein, upon the occurrence of each of the events set forth in this Section 7 (each an "**Event of Default**"), each Lender shall be entitled to immediate repayment of its respective Lender Loan Amount, and the Company undertakes to immediately pay all such amounts due upon such Lender's written demand:

7.1 A breach of any material undertaking of the Company towards the Lender, under this Agreement, which remains uncured for thirty (30) days or more pursuant to a written notice thereof to the Company by the Lender;

7.2 The Company's ordinary course of business is suspended or ceased, or the Company generally ceases to pay its debts when due. For the avoidance of doubt, a temporary suspension of an operation which is intended to be resumed shortly thereafter shall not be deemed to constitute a suspension of business hereunder;

7.3 The commencement by or against the Company of any liquidation proceedings, bankruptcy, insolvency, moratorium, receivership, reorganization or similar proceeding, unless such proceedings have been withdrawn or stayed within sixty (60) days; or if the Company's shareholders have resolved to voluntary liquidate the Company; or

7.4 The appointment of a receiver, liquidator, special manager or trustee over all or any part of the Company's assets, unless such appointment has been withdrawn or stayed within sixty (60) days, or the appointment of a permanent liquidator or permanent receiver to take possession of the material part of the or assets of the Company, or an attachment is placed on a material part of the property or assets of the Company (unless such attachment has been removed within sixty (60) days), or the calling by the Company of a meeting of creditors for the purpose of entering into a scheme or arrangement with them.

8. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants, as of the Effective Date, to the Lenders, as follows:

8.1 Organization. The Company is duly incorporated and validly existing under the laws of the State of Israel and has the power and authority to own, lease and operate its properties and carry on its business as currently conducted.

8.2 Approvals. No consents, authorizations or approvals or waivers of any kind of any governmental authority or other third party are required in connection with the execution or performance of this Agreement other than as provided in **Schedule 8.2** attached hereto (the "**Required Approval**s").

8.3 Enforceability. This Agreement constitutes a valid and legally binding obligation of the Company, enforceable against the Company in accordance with its terms, except as limited by applicable laws of general application affecting enforcement of creditors' rights generally and by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies and general principles of equity.

8.4 No Conflicts. Neither the execution and delivery of this Agreement nor compliance by the Company with the terms and provisions hereof, will conflict with, or result in a breach or violation of, any of the terms, conditions and provisions of: (i) the Articles or other governing instruments of the Company; (ii) any judgment, order, injunction, decree, or ruling of any court or governmental authority, domestic or foreign known to the Company; (iii) applicable Israeli law or (iv) any agreement or contract to which the Company is party. Such execution, delivery and compliance will not (a) give to others any rights, including rights of termination, cancellation or acceleration, in or with respect to any agreement, contract or commitment referred to in this paragraph, or to any of the properties or rights of the Company, or (b) otherwise require the consent or approval of any person, which consent or approval has not heretofore been obtained.

8.5 Litigation. Other than as set forth in **Schedule 8.5** hereto, there is no claim, action, suit, proceeding, arbitration, complaint, charge or investigation pending or threatened in writing against (i) the Company or (ii) to the Company's knowledge, any officer, director or key employee of the Company arising out of their employment, board or officer relationship with the Company, in each case that would reasonably beexpected to have, either individually or in the aggregate, a material adverse effect on the business, assets (including intangible assets), liabilities, financial condition, property, prospects or results of operations of the Company. There is no action, suit, proceeding or investigation by the Company pending or which the Company intends to initiate. The foregoing includes, without limitation, actions, suits, proceedings or investigations pending or threatened in writing (or any basis therefor known to the Company) involving the prior employment of any of the Company's employees, their services provided in connection with the Company's business, any information or techniques allegedly proprietary to any of their former employers or their obligations under any agreements with prior employers.

8.6 Intellectual Property. Other than as set forth in **Schedule 8.6** hereto: (i) the Company owns or possesses or believes it can acquire on commercially reasonable terms sufficient legal rights to all Company Intellectual Property without any known conflict with, or infringement of, the rights of others; (ii) the Company has not received any communications alleging that the Company has violated, or by conducting its business, would violate any of the patents, trademarks, service marks, tradenames, copyrights, trade secrets, mask works or other proprietary rights or processes of any other Person; and (iii) to the Company's knowledge, no product or service marketed or sold (or proposed to be marketed or sold) by the Company violates or will violate any license or infringes or will infringe any intellectual property rights of any other party.

8.7 Property. Other than as set forth in **Schedule 8.7** hereto, the property and assets that the Company owns are free and clear of all mortgages, deeds of trust, liens, loans and encumbrances, except for statutory liens for the payment of current taxes that are not yet delinquent and encumbrances and liens that arise in the ordinary course of business and do not materially impair the Company's ownership or use of such property or assets. With respect to the property and assets it leases, the Company is in compliance with such leases and holds a valid leasehold interest free of any liens, claims or encumbrances other than those of the lessors of such property or assets.

8.8 Employee Matters. To the Company's knowledge, none of its employees 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 materially interfere with such employee's ability to promote the interest of the Company or that would conflict with the Company's business. The Company is not delinquent in payments to any of its employees, consultants, or independent contractors for any wages, salaries, commissions, bonuses, or other direct compensation for any service performed for it to the date hereof or amounts required to be reimbursed to such employees, consultants or independent contractors. The Company has complied in all material respects with all applicable state and federal equal employment opportunity laws and with other laws related to employment, including those related to wages, hours, worker classification and collective bargaining.

8.9 Tax Returns and Payments. There are no Israeli state or local or foreign taxes due and payable by the Company which have not been timely paid. Other than in the ordinary course of business, the Company has not been subject to any examinations or audits of any tax filings or reports by any applicable Israeli state or local or foreign governmental agency. The Company has duly and timely filed all Israeli state or local or foreign tax filings required to have been filed by it and there are in effect no waivers of applicable statutes of limitations with respect to taxes for any year.

8.10 Permits. The Company has all franchises, permits, licenses and any similar authority necessary for the conduct of its business, the lack of which could reasonably be expected to have a material adverse effect on the business, assets (including intangible assets), liabilities, financial condition, property, prospects or results of operations of the Company. The Company is not in default in any material respect under any of such franchises, permits, licenses or other similar authority.

8.11 Disclosure. The Company has made available to the Lenders all the information reasonably available to the Company that the Lenders have requested for deciding whether to make the Loans. No representation or warranty of the Company contained in this Agreement contains any untrue statement of a material fact or, to the Company's knowledge, omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances under which they were made.

9. REPRESENTATIONS AND WARRANTIES OF THE LENDER

Each Lender, severally and not jointly, hereby represents and warrants to the Company as follows:

9.1 It has full power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereunder.

9.2 No consents, authorizations or approvals of any kind of any governmental authority or other third party are required in connection with the execution or performance by the Lender of this Agreement.

9.3 This Agreement is a legal, valid and binding obligation of the Lender, and is enforceable as to it in accordance with its respective terms, except as limited by applicable laws of general application affecting enforcement of creditors' rights generally and by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies and general principles of equity.

9.4 The Lender acknowledges that the Loan contemplated herein involves substantial risk. The Lender has such knowledge and experience in financial and business matters so that it is capable of evaluating the merits and risks of this type of investment and sustaining a substantial or total loss of its loan. The Lender has had the opportunity to consult with its own attorney, accountant and/or financial advisers regarding this Agreement, including tax, accounting and legal merits, risks and consequences of this Agreement. The Lender further acknowledges that it has been afforded the opportunity to ask the Company questions concerning the business and financial condition, operations and prospects of the Company and all such questions have been answered to the full satisfaction prior the entering into the Agreement. The foregoing shall not derogate from the representations and warranties of the Company's set forth in Section 8 above.

9.5 The Lender acknowledges and understands that any Company securities issued upon conversion of its loan shall be restricted and not freely tradable securities.

9.6 No agent, broker, investment banker, person or firm acting in similar capacity on behalf of or under the authority of the Lender is or will be entitled to any broker's or finder's fee or any other commission in connection with the transactions contemplated hereunder, and the Lender agrees to indemnify and hold the Company harmless from any such liability for any commission or compensation in the nature of a finder's fee (and the costs and expenses of defending against such liability or asserted liability) in connection with the transactions contemplated hereunder.

9.7 The Lender acknowledges that any rights in connection with repayment of the Loan Amount and any other claim or demand for payment to the Lender by the Company in respect thereto are subordinated to the Existing Loan as provided in Section 4.1 hereof and each Lender concurrently with the execution of this Agreement, shall execute a Subordination Letter in favor of the Existing Lenders in the form attached hereto as **Exhibit E** (the "**Subordination Letter**"). Notwithstanding any other provision in this Agreement, if any term of this Agreement conflicts in any way with any term of the Subordination Letter, then the term of the Subordination Letter shall prevail.

10. IIA UNDERTAKING

To the extent required under applicable law (as shall be determined by the Company at its sole discretion) and at the Company's written request (via email) to any of the Lenders, such Lender shall execute the standard undertaking mandated by the IIA, in the IIA's customary form and deliver to the Company a copy thereof.

11. CONFIDENTIALITY

Each Lender agrees to keep strictly confidential, and not disclose or otherwise disseminate any and all Company's documents, materials and information it receives pursuant hereunder, except for documents, materials and information which (a) are known or become known to the public in general (other than as a result of a breach of this Section by the Lender), or (b) are or have been made known or disclosed to such Lender by a third party without a breach of any obligation of confidentiality such third party may have to the Company (the "**Confidential Information**"); provided, however, that the Lender shall have the right to disclose such Confidential Information to its legal and financial advisors on a need to know basis and to any assignee of all of the rights and obligations of the Lender or purchaser of all of the Company's shares from the Lender, provided that the Lender shall be responsible to ensure that each such advisor, assignee or purchaser complies with the provisions of this Section 11. Such Confidential Information may be used by the Lender only for the purpose of monitoring and deciding on its investment in the Company.

12. MISCELLANEOUS

12.1 Entire Agreement. This Agreement constitutes the entire understanding of the parties hereto with respect to the subject matter hereof, and it supersedes all prior written and oral understandings on such matters. This Agreement may be changed, with respect to each of the Lenders, only by an agreement in writing duly signed by the Company and such Lender.

12.2 Governing Law. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Israel without giving effect to its principles or rules of conflicts of laws. Any dispute arising under or in relation to this Agreement shall be resolved in the competent court in Tel Aviv-Jaffa district only, and each of the parties hereby submits irrevocably to the exclusive jurisdiction of such court.

12.3 Counterpart Signatures. 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 the other party, it being understood that two parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by electronic mail, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature page were an original thereof.

12.4 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable under applicable law, then such provision shall be excluded from this Agreement and the remainder of this Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms; provided, however, that in such event this Agreement shall be interpreted so as to give effect, to the greatest extent consistent with and permitted by applicable law, to the meaning and intention of the excluded provision as determined by such court of competent jurisdiction.

12.5 Transfer; Successors and Assigns. This Agreement and the rights and the obligations of the Lender hereunder may not be transferred or assigned by the Lender without the prior written consent of the Company, except for transfer or assignment by the Lender to an Affiliate of the Lender. This Agreement shall be binding upon the successors or assigns of the Company and shall inure to the benefit of the successors and permitted assigns of the Lender. "**Affiliate**" means any entity which controls, is controlled by, or which is under a common control with the Lender, where "control" means the holding of more than fifty percent (50%) of the issued stock or voting rights.

12.6 Notice. All notices or other communications provided for in this Agreement shall be in writing and shall be given in person, by registered mail (registered air mail if mailed internationally), by an overnight courier service which obtains a receipt to evidence delivery, by facsimile transmission (evidenced by written confirmation of transmission), or by electronic mail, addressed as set forth below:

The Company	Gauzy Ltd. 14 Hathiya, Tel Aviv, Israel Attention: Eyal Peso, CEO E-mail: eyal@gauzy.com Fax: +972 (72)2500386 with a copy to (which shall not constitute a notice): Gornitzky & Co. Vitania Tel-Aviv Tower 20 Haharash St. Tel-Aviv, Israel 6761310 Attention: Yehonatan Raff, Adv. E-mail: yonir@gornitzky.com
The Lender	To the address set forth on **Exhibit A** next to such Lender's name.

or such other address as any party may designate to the other in accordance with the aforesaid procedure. All notices and other communications delivered in person shall be deemed to have been given upon delivery. Notices and other communications delivered by facsimile transmission or electronic mail shall be deemed to have been given as of one business day after sending thereof. All notices and other communications delivered by overnight air courier shall be deemed to have been given as of the third business day after posting; and all notices and other communications sent by registered mail shall be deemed given ten (10) days after posting.

12.7 Amendment and Waiver. Any provision of this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only (a) by the written consent of the Company and the Lenders who lent the majority of the Loan Amount, in which case, such amendment or waiver shall be binding upon the Company and all the Lenders, and their respective successors and assigns; or (b) in the case of a waiver only, by the written consent of any Lender or the Company, as applicable, provided however that such waiver will apply only to such Lender (and not to all the other Lenders) or to the Company, as applicable.

12.8 Further Actions. At any time and from time to time, each party agrees, without further consideration, to take such actions and to execute and deliver such documents as may be reasonable necessary to effectuate the purposes of this Agreement.

12.9 No Third Party Beneficiaries. Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any Person, other than the Parties hereto and their respective permitted successors and assigns, any rights or remedies under or by reason of this Agreement.

[Signature Pages to Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Loan Agreement on the Effective Date

The Company:

GAUZY LTD.

By: _____
Title: _____

[Gauzy Ltd. – 2023 CLA – Signature Page]

IN WITNESS WHEREOF, the parties hereto have executed this Loan Agreement on the Effective Date

The Lender:

By: _____
Title: _____

Lender Loan Amount shall equal: US$_____

[Gauzy Ltd. – 2023 CLA – Signature Page]

Exhibit A – Lenders

Lenders	Loan Amount in US$	Required Pro Rata Percentage	Address
Blue-Red Capital Fund L.P.		2.96%	
Ibex Partners (Gauzy) LP		3.56%	
Ibex Israel Fund LLLP		30.48%	
Ibex Partners (MW) LLLP		3.40%	
Infinity Holding Ventures PTE. Limited		9.01%	
Olive Tree V Limited Partnership		15.59%	
Water Bear Investments LLC		0.71%	
Elie Zilkah		0.54%	
Avery Dennison Ltd.		3.39%	
Kukac LLC		1.07%	
Peter Kadas		0.48%	
AAM VC PTE Ltd		1.17%	
Sigma Six Limited		0.19%	
Sabona Investments Limited S.A.		0.29%	
Elljay Limited		0.29%	
Sputnik Limited		0.29%	
Hyundai Motor Company		3.17%	
Sekisui Chemical Co., Ltd.		1.38%	
South Lake One LLC (Quiroga)		10.00%	
Walleye		2.33%	
Benslie International Limited		1.80%	
3A Capital		0.93%	
BOS		0.13%	
Hamilton Global Opportunities plc		1.40%	
Chutzpah Holdings Limited		0.75%	
Cartridge Holdings Limited		4.67%	
TOTAL	**US $ [●]**	**100%**	

Exhibit B – Joinder

The undersigned (the "**Lender**") hereby consents to and agrees to be bound by all the terms, covenants and provisions of that certain Convertible Loan Agreement dated _____, __, by and among Gauzy Ltd. (the "**Company**") and the Lenders listed on Exhibit A thereto (the "**CLA**").

All terms not otherwise defined herein shall have the meanings ascribed to such terms in the CLA.

The Lender acknowledges and agrees that: (i) the Company's representations and warranties provided in Section 8 shall be true and correct as of the CLA's original Effective Date; (ii) upon execution and delivery of this Joinder to the CLA, it shall be deemed a Lender for all intents and purposes of the CLA; and (iii) it may not be considered an Overallotment Lender.

The undersigned's total portion of the Lender's Loan Amount shall equal: $_____.

The execution of this Joinder shall constitute, for all intents and purposes, the undersigned's execution of the CLA, including without limitation for the purpose of the representations and warranties of the Lenders thereto, which shall be true as of the date hereof.

Date: _____

Signature: _____

By: _____
Name: _____
Title: _____

Address: _____

_____

The above is agreed to and confirmed by the Company:

_____

Gauzy Ltd.

By: _____

Title: _____

[Joinder to Convertible Loan Agreement dated _____]

Exhibit C – Warrant

Exhibit D – Pledge Agreement

Exhibit E – Subordination Letter

Schedule 8

Schedule 8.2 – Required Approvals:

- Required corporate approval in accordance with the Articles and the Israeli Companies Law.
- Preferred Majority's (as such term is defined in the Articles) consent.
- Klirmark Capital 3 Ltd. and Davidson & W Technology Growth Cayman LP's consent.
- Blue-Red Capital Fund LP's consent.

Schedule 8.5 – Litigation:

- Complaint by Global Glass Technologies, Inc was filed with the U.S. District Court for the Middle District of Florida on May 7, 2021, against Research Frontiers Inc. and the Company with respect to an alleged infringement of Global Glass' intellectual property.

- Notice Letter to Shenzen Vanlong Technology Co LTD on behalf of the Company Dated April 21, 2015.

Schedule 8.6 – Intellectual Property:

- See Schedule 8.5 above.
- License Agreement between the Company and Research Frontiers Incorporated ("RFI"), dated September 30, 2017, as amended in a letter dated September 7, 2018.
- Royalties to the Israel Innovation Authority (the "IIA") in connection with the grants from the Company received from the IIA in connection with programs no. 49977 and 59389.
- The Joint Product Agreement between the Company and Hanita coatings RCA Ltd., which was assigned to Avery Dennison Israel Ltd in February 2017, as amended, includes a revenue share mechanism.

Schedule 8.7 – Property:

- The Company created in favor of Klirmark Opportunity Fund III, Limited Partnership and Davidson & W Technology Growth Cayman Limited Partnership, *inter alia*:
  - a first ranking floating charge over all the assets, equipment, and rights that the company has or will have;
  - a first ranking fixed charge over the Company's fixed assets;
  - a first ranking fixed charge over the Company's intellectual property;
  - a first ranking fixed charge over the Company's shares it holds in Vision, RFI, Gauzy GmbH and Gauzy USA;
  - a first ranking fixed charge over the Company's shareholder loans owed by any Subsidiary;
  - a first ranking fixed charge over the Company's rights in the Vision SPA;
  - a first ranking fixed charge over the Company's registered and unissued share capital; and
  - a first ranking fixed charge over the Company's goodwill.
- A second ranking floating charge over all the assets, equipment, monies and rights that the Company has in favor of Blue-Red.
- a first ranking fixed charge over the Company's rights in the Company's account in Bank Mizrahi account number 193808 and 145862 in branch number 528.

Exhibit C
Form of Warrant

GAUZY LTD.
WARRANT TO PURCHASE PREFERRED SHARES

_____, __, 2023

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR QUALIFIED UNDER ANY STATE OR FOREIGN SECURITIES LAW, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR HYPOTHECATED UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT COVERING THIS WARRANT AND/OR SUCH SECURITIES, OR THE HOLDER RECEIVES AN OPINION OF COUNSEL FOR THE HOLDER OF THE WARRANT AND/OR SUCH SECURITIES SATISFACTORY TO THE COMPANY STATING THAT SUCH SALE, TRANSFER, ASSIGNMENT OR HYPOTHECATION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF THE SECURITIES ACT AND THE QUALIFICATION REQUIREMENTS UNDER APPLICABLE STATE OR FOREIGN LAW.

This Certifies That, for value received, **_____**, a _____ [registered in][incorporated in] _____ (the "**Holder**") is entitled to subscribe for and purchase at the Exercise Price (as defined below) from **Gauzy Ltd.**, a company incorporated and existing under the laws of the State of Israel having its principal offices at the 14 Hatchiya St., Tel-Aviv, Israel 6816914 (the "**Company**") the Warrant Shares (as defined below).

1. **Definitions**. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in that certain Convertible Loan Agreement by and between the Company and the Holder (amongst others), dated as of _____, ___, 2023 (the "**Agreement**"). In addition, as used herein, the following terms shall have the following respective meanings:

"**Applicable Price Per Share**" shall mean the (i) IPO PPS, (ii) Qualified Financing PPS, (iii) Deemed Liquidation PPS, (iv) Final Date PPS or (v) Optional PPS, as applicable to the Holder's Lender Loan Amount conversion prior to the 0.75 multiplier provided in such terms.

"**Articles**" shall mean the Amended and Restated Articles of Association of the Company, as amended from time to time.

"**Conversion Shares**" shall have the meaning as ascribed to it in the Agreement.

"**Deemed Liquidation**" shall have the meaning as ascribed to it in the Articles.

"**Exercise Date**" shall mean the date of exercise of this Warrant.

"**Exercise Period**" shall mean a period commencing as of (and concurrently with) the conversion or repayment of the Lender Loan Amount and ending on the fifth (5^{th}) anniversary of the date thereof.

"**Exercise Price**" shall mean an exercise price per Warrant Share derived by *multiplying* (i) the Applicable Price Per Share *by* (ii) (A) if the Holder is a Significant Lender, seventy-five percent (75%) and (B) if the Holder is not a Significant Lender, one hundred and ten percent (110%).

"**Exercised Shares**" shall mean those Warrant Shares issued by the Company to the Holder pursuant to any exercise of this Warrant from time to time.

"**Fully Diluted Basis**" shall have the meaning ascribed to it in the Agreement.

"**IPO**" shall have the meaning ascribed to it in the Articles.

"**Permitted Transferee**" shall have the meaning ascribed to it in the Articles.

"**Preferred Shares**" shall have the meaning ascribed to it in the Articles.

"**Significant Lender**" shall mean a Holder having a Lender Loan Amount equal to or greater than US$2,000,000.

"**Warrant**" means this Warrant to Purchase Preferred Shares.

"**Warrant Shares**" shall mean the number of shares of preferred equity of the Company comprising the same series and class (and/or subclass, if applicable) of Conversion Shares issued to the Holder upon conversion of the Holder's Lender Loan Amount derived by *dividing* (i) the product obtained by *multiplying* the Lender Loan Amount of such Holder actually received by the Company *by* (A) if such Holder is a Significant Lender, sixty-five percent (65%) and (B) if such Holder is not an Significant Lender, twenty-five percent (25%) *by* (ii) the Exercise Price, and subject in each case to adjustments pursuant to terms hereunder.

2. **Exercise of Warrant**.

(a) Cash Exercise. The purchase rights represented by this Warrant may be exercised by the Holder, in whole or in part, at any time and from time to time during the Exercise Period by the surrender of this Warrant (with the notice of exercise in the form attached hereto as Exhibit A duly executed) and payment to the Company of an amount equal to the Exercise Price multiplied by the number of Warrant Shares being purchased.

(b) In lieu of payment as set forth in Section 2(a) above, the Exercise Price may be set off from any amount owed by the Company to the Holder under the Agreement or any other agreement between them.

(c) This Warrant shall expire upon the earlier of: (i) the expiration of the Exercise Period; and (ii) the exercise of this Warrant with respect to all Warrant Shares issuable hereunder.

(d) Net Exercise. In lieu of the payment method set forth in Section 2(a) above, the Holder may, at any time and from time to time during the Exercise Period, elect to exchange this Warrant for the number of Warrant Shares computed using the following formula:

$$X = \frac{Y*(A-B)}{A}$$

Where X = the number of Warrant Shares to be issued to the Holder.

Y = the number of Warrant Shares exercised pursuant to this Warrant (excluding Warrant Shares already issued under this Warrant).

A = the Fair Market Value (as defined below) of one Warrant Share.

B = Exercise Price per one Warrant Share.

"**Fair Market Value**" of a Warrant Share shall mean:

(i) If the Company's shares are not publicly traded, then such value as determined by the Company's Board of Directors in good faith.

(ii) If the Warrant is exercised in the context of an IPO, then the value shall be deemed to be the lowest public offering price (before deduction of discounts, commissions or expenses) in such offering upon the consummation of the IPO.

(iii) If the Warrant is exercised after the Company's shares are publicly traded, the average price per share of the Company as listed on the relevant exchange for the thirty (30) day period immediately prior to the Exercise Date.

(iv) If the Warrant is exercised in the context of a Deemed Liquidation, then the value shall be the quotient obtained by*dividing* (a) the aggregate consideration paid in connection with a Deemed Liquidation to (without double counting) the Company, its affiliates and/or all holders of Company equity or equity-linked securities or rights *by* (b) the Company's share capital as of immediately prior to such Deemed Liquidation calculated on a Fully Diluted Basis (excluding any Company equity or equity-linked securities or rights that will be cancelled in connection with, and will not have rights to receive any consideration in or as a result of, such Deemed Liquidation).

(e) Issuance of Shares on Exercise. Upon the exercise of the rights represented by this Warrant, a certificate or certificates for the Exercised Shares, registered in the name of the Holder, shall be issued and delivered to the Holder by the Company as soon as is reasonably practicable after the rights represented by this Warrant shall have been so exercised, but in any event within thirty (30) calendar days thereof.

(f) Holder of Record. The person in whose name any certificate or certificates for Exercised Shares are to be issued upon exercise of this Warrant shall be deemed to have become the holder of record of such shares on the date on which this Warrant was surrendered and, in case of exercise under Section 2(a) only, upon payment of the Exercise Price, irrespective of the date of delivery of such certificate or certificates.

(g) Partial Exercise. In the event the Holder exercises this Warrant for some, but not all of the Warrant Shares for which this Warrant may be exercised, the Company shall issue to the Holder a replacement Warrant of identical form, as soon as is reasonably practicable after such exercise but in any event within thirty (30) calendar days thereof, except that such replacement Warrant shall account for such Exercised Shares in its derivation of the number of Warrant Shares exercisable under such replacement Warrant.

3. **Company Representations and Warranties; Covenants**.

(a) Due Authorization, Execution and Issuance. The Company represents and warrants to the Holder as follows: (i) this Warrant has been duly authorized and executed by the Company and is a valid and binding obligation of the Company, enforceable in accordance with its terms; (ii) the execution and delivery of this Warrant are not, and the issuance of the Warrant Shares upon exercise hereof, will not be, inconsistent with the Company's governing documents, do not and will not contravene any law, governmental rule or regulation, judgement or order applicable to the Company, and do not and will not conflict with or contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument of which the Company is a party or by which it is bound, or require the consent or approval of, the giving of notice to, the registration with or the taking of any action in respect of or by, any government authority or agency or other person, other than those consents or approvals that shall have been previously obtained.

(b) Covenants as to Exercised Shares. The Company covenants and agrees that all Exercised Shares that may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be validly issued and outstanding, fully paid and non-assessable, and free from all liens and charges with respect to the issuance thereof and free from all preemptive rights of any shareholder. Subject to the provisions of Section 3(c) below, the Company further covenants and agrees that the Company will at all times during the Exercise Period have authorized and reserved, free from preemptive rights, a sufficient number of Conversion Shares to allow for the exercise of rights represented by this Warrant. If at any time during the Exercise Period the number of authorized but unissued Conversion Shares (and ordinary shares issuable upon conversion of such Preferred Shares) shall not be sufficient to permit exercise of this Warrant, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued number of Conversion Shares and ordinary shares to such number of Conversion Shares as shall be sufficient for such purposes.

(c) No Impairment. Except and to the extent as waived or consented to by the Holder, the Company will not, by amendment of its Articles or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out all the provisions of this Warrant and in the taking of all such action as may be reasonably necessary or appropriate in order to protect the exercise rights of the Holder against impairment.

4. **Adjustment of Number of Exercised Preferred Shares and Exercise Price**.

(a) Adjustment for Dividends, Share Splits, Recapitalizations, Etc. In the event of changes in the outstanding share capital of the Company by reason of share dividends, share splits, reverse splits, recapitalizations, reclassifications, combinations or exchanges of shares (including upon an automatic conversion of all outstanding Preferred Shares into ordinary shares in accordance with the terms of the Articles), separations, reorganizations, consolidations or mergers of the Company with or into another person (other than a consolidation or merger of the Company in which the Company is the continuing corporation and which does not result in any reclassification or change of any outstanding shares), or any adjustment of the conversion price of the Preferred Shares in accordance with the Articles and unless this Warrant expires in accordance with the terms herein, the number and class of shares available for purchase under this Warrant in the aggregate and the Exercise Price shall be correspondingly adjusted to give the Holder, on exercise for the same aggregate Exercise Price, the total number and class of shares or other securities or property as the Holder would have owned had this Warrant been exercised prior to such event and had the Holder continued to hold such shares until after the event requiring such adjustment. The form of this Warrant need not be changed because of any adjustment in the number of Exercised Shares subject to this Warrant. For the avoidance of doubt, the Holder shall be entitled to the benefit of all adjustments in the number of ordinary shares of the Company issuable upon conversion of the Preferred Shares which occur prior to the exercise of this Warrant, including without limitation, any increase in the number of ordinary shares issuable upon conversion as a result of a dilutive issuance of share capital.

(b) Notice of Adjustment. If the Company performs any of the actions or enters into any of the transactions described inSection 4(a), then, in any one or more of the said cases, the Company shall give the Holder prior written notice of such actions and/or transactions, including a description thereof and any record date relevant to such actions and transactions. Such written notice shall be given at least seven (7) days prior to the action in question and at least seven (7) days prior to the record date in respect thereto.

(c) Certificate of Adjustment. Whenever the Exercise Price or the number of Exercised Shares purchasable hereunder shall be adjusted pursuant to thisSection 4, the Company shall prepare a certificate setting forth, in reasonable detail, the event requiring the adjustment, the amount of the adjustment, the method by which such adjustment was calculated, and the Exercise Price and the number of Exercised Shares purchasable hereunder after giving effect to such adjustment, and shall provide such certificate to the Holder.

5. **Fractional Shares**. No fractional shares shall be issued upon the exercise of this Warrant as a consequence of any adjustment pursuant hereto, and the Warrant Shares issuable hereunder shall be rounded to the closest whole number.

6. **No Shareholder Rights**. This Warrant in and of itself shall not entitle the Holder to any voting rights or other rights as a shareholder of the Company with respect to the Warrant and the Warrant Shares.

7. **Lost, Stolen, Mutilated or Destroyed Warrant**. If this Warrant is lost, stolen, mutilated or destroyed, the Company shall, on such terms as to indemnity or otherwise as it may reasonably impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination and tenor as this Warrant so lost, stolen, mutilated or destroyed. Any such new Warrant shall constitute an original contractual obligation of the Company, whether or not the allegedly lost, stolen, mutilated or destroyed Warrant shall be at any time enforceable by anyone.

8. **Notices, etc**. All notices and other communications required or permitted hereunder shall be in writing and shall be sent by facsimile or mailed by registered or certified mail, postage prepaid, or by electronic mail, or otherwise delivered personally or by courier, to the addresses stated in the preamble of this Warrant or to such other address, or to the attention of such other person, with respect to a party as such party shall notify the other party in writing as above provided. Any notice sent in accordance with this Section shall be deemed delivered (i) if mailed, three (3) Business Days after mailing, (ii) if sent by courier, upon delivery, and (iii) if sent via electronic mail, upon transmission and electronic confirmation of receipt, or, if transmitted and received on a day which is not a Business Day, on the first Business Day following transmission and electronic confirmation of receipt.

9. **Assignment**. The Holder may freely assign, sell or transfer its rights and obligations under this Warrant (in whole, and not in part) to any Permitted Transferee and otherwise this Warrant shall not be assignable or transferable by a Holder without the prior written consent of the Company. The Company shall reasonably cooperate as required to complete any such assignment, including (but not limited to) signing all documents and statements of any kind required to complete such transfer. Upon exercise of the Warrant Shares (in whole or in part), the Warrant Shares shall be subject to any transfer restrictions set forth in the Articles.

10. **Governing Law; Jurisdiction**. This Warrant and all rights, obligations and liabilities hereunder shall be governed by and construed in accordance with the laws of the State of Israel, without regard to conflict of law provisions thereof. The competent courts in Tel-Aviv-Jaffa, Israel shall have exclusive jurisdiction over any matter arising in connection with this Warrant.

11. **Modification; Waiver**. Any provision of this Warrant may be amended or waived only by the written consent of the Company and the Holder.

12. **Taxes**.

(a) Each of the Company and the Holder will bear its own tax consequences arising from the grant of this Warrant or exercise of any of the Warrant Shares. To this end, the Company shall withhold any taxes at source to the extent required by applicable law, unless the Holder presents the Company, in a timely manner, with a valid exemption from such withholding at source, issued by the Israeli Tax Authority, in which case the Company shall act in accordance with such certificate. In the event that the Company pays any withholding tax, the Holder shall promptly indemnify the Company for any amounts it has so paid.

(b) Notwithstanding the foregoing, or anything to the contrary herein, the Company may hold in escrow, by itself or through a trustee nominated by the Company, a reasonable amount of Exercised Shares (or any amount of shares to which such Exercised Shares were converted) to secure payment by the Holder of its obligations under this Section 12, unless (i) the Holder has presented to the Company a valid certificate issued by the Israeli Tax Authority providing for exemption from tax withholding at the rate of one hundred percent (100%), at least two (2) Business Days prior to the date in which the Warrant is exercised; or (ii) the Company has received from the Holder an amount of immediately available funds sufficient to cover the potential payment of tax required in connection with the exercise of the applicable Exercised Shares. To the extent the Holder fails to satisfy its obligations hereunder, the Company shall be entitled to sell (or order the trustee to sell, to the extent applicable) such amount of Exercised Shares (or amount of shares to which such Exercised Shares were converted) and use the proceeds received from the sale to pay itself for any amounts the Holder is required to pay under this Section 13.

(c) Without limiting the foregoing, subject to applicable law, the Holder may instruct the Company to not withhold taxes and to hold in escrow, by itself or through a trustee nominated by the Company, a reasonable amount of Exercised Shares (or any amount of shares to which such Exercised Shares were converted) to secure payment by the Holder of its obligations under this Section 13 for a period of up to three (3) months so as to allow the Holder to receive the appropriate exemption from the Israeli Tax Authority.

[Signature Page Follows]

In Witness Whereof, the Company has caused this Warrant to be executed by its duly authorized officer as of the date first set forth above.

Gauzy Ltd.

By: _____
Name: _____
Title: _____

Agreed and Acknowledged:

By: _____
Name: _____
Title: _____

[Signature Page Warrant]

Exhibit A
NOTICE OF EXERCISE

TO: Gauzy Ltd.

1. Election. The undersigned hereby elects to purchase certain Preferred Shares of Gauzy Ltd. (the "**Company**") pursuant to the terms of the attached Warrant. Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

2. Form of Warrant Exercise Price. The undersigned intends that payment of the Exercise Price shall be made as:

2.1. a "Cash Exercise" with respect to _____ Warrant Shares, and tenders herewith payment of $_____; and/or

2.2. a "Cashless Exercise" of _____ Warrant Shares.

3. Issuance Instruction. Please issue a certificate or certificates representing said _____Warrant Shares comprising _____in the name of the undersigned:

_____

(Name)

_____

_____

(Address)

_____ _____

(Date) (Signature)

_____

(Print name)

Exhibit 10.17

NEITHER THIS NOTE PURCHASE AGREEMENT NOR THE NOTES ISSUED HEREUNDER HAVE BEEN REGISTERED PURSUANT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR QUALIFIED PURSUANT TO ANY APPLICABLE STATE SECURITIES LAW. THE NOTES ISSUED UNDER THIS NOTE PURCHASE AGREEMENT MAY BE RESOLD ONLY IF REGISTERED PURSUANT TO THE PROVISIONS OF THE SECURITIES ACT AND QUALIFIED PURSUANT TO APPLICABLE STATE SECURITIES LAWS OR IF AN EXEMPTION FROM SUCH REGISTRATION AND QUALIFICATION IS AVAILABLE, EXCEPT UNDER CIRCUMSTANCES WHERE NEITHER SUCH REGISTRATION, QUALIFICATION OR EXEMPTION IS REQUIRED BY LAW.

NOTE PURCHASE AGREEMENT

dated as of

November 8, 2023

among

VISION LITE SAS,
as Issuer,

THE OTHER NOTE PARTIES FROM TIME TO TIME PARTY HERETO,

THE PURCHASERS FROM TIME TO TIME PARTY HERETO,

and

CHUTZPAH HOLDINGS, LTD.,
as Administrative Agent and Collateral Agent

Aggregate Principal Amount of $60,000,000

Senior Secured Notes due 2028

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This Note Purchase Agreement (this "Agreement") is dated as of November 8, 2023, among GAUZY LTD., a limited liability company organized under the laws of the State of Israel, having its principal offices at 14 Hatchiya St., Tel Aviv, Israel 6816914 and whose registered number is 514335967 (the "Company"), VISION LITE SAS, a French *société par actions simplifée* having its registered office at Route d'Irigny, 69530 Brignais, France and whose registered number is 790 945 422 RCS Lyon (the "French Issuer", and together with each other Note Party designated as an additional Issuer in accordance with this Agreement, the "Issuers" and each an "Issuer"), other Persons party hereto that are designated as a "Note Party", the Purchasers (as defined herein) from time to time party hereto and CHUTZPAH HOLDINGS, LTD., as the Administrative Agent (as defined herein) and the Collateral Agent (as defined herein).

WHEREAS, the Gauzy Companies develop, manufacture and market vision and light control technologies (the "Business");

WHEREAS, the Issuers have requested that Purchasers on the Effective Date extend a credit facility to the Issuers in the amount of USD 60,000,000, to be drawn down by the Issuers by way of issuance and sale of Notes to the Purchasers, subject to the terms of this Agreement, in each case subject to the terms and conditions herein;

NOW, THEREFORE, in consideration of the mutual agreements and provisions herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Administrative Agent" means Chutzpah Holdings, Ltd., in its capacity as administrative agent for the Purchasers hereunder, and any successor thereto pursuant to Article VIII.

"Administrative Questionnaire" means a questionnaire, in a form supplied by the Administrative Agent, completed by a Purchaser or an assignee of a Purchaser.

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Affiliate" means, with respect to a specified Person, another Person that at such time directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agent Reimbursement Amount" means a one-time agency fee in an amount of $60,000 payable to the Administrative Agent and the Collateral Agent, in their respective capacity as and in compensation of their respective role as the Administrative Agent and Collateral Agent, together with their respective successors in such capacity, under the terms of this Agreement.

"Agents" means, collectively, the Administrative Agent and the Collateral Agent.

"Agreement" has the meaning assigned to such term in the preamble.

"Anti-Corruption Laws" means any law of any jurisdiction relating to corruption in which any Gauzy Company performs business, including the FCPA, the U.K. Bribery Act, Section E of Chapter 9 of the Israeli Penal Law, 5737-1977, and where applicable, legislation relating to corruption enacted by member states and signatories implementing the OECD Convention Combating Bribery of Foreign Officials.

"Anti-Corruption Prohibited Activity" means the offering, payment, promise to pay, authorization or the payment of any money or the offer, promise to give, given, or authorized giving of anything of value, to any Government Official or to any person under the circumstances where the Person, such Person's Affiliate's or such Person's representative knew or had reason to know that all or a portion of such money or thing of value would be offered, given or promised, directly or indirectly, to any Government Official, for the purpose of (a) influencing any act or decision of such Government Official in his or her official capacity, (b) inducing such Government Official to do or omit to do any act in relation to his or her lawful duty, (c) securing any improper advantage, or (d) inducing such Government Official to influence or affect any act or decision of any Governmental Authority, in each case, in order to assist such Person in obtaining or retaining business for or with, or in directing business to, any Person, in the case of any of clauses (a) through (d), in violation of any applicable Anti-Corruption Laws.

"Anti-Money Laundering Laws" means the U.S. Currency and Foreign Transaction Reporting Act of 1970, as amended, and all money laundering-related laws of the United States and other jurisdictions where such Person conducts business or owns assets, and any related or similar law issued, administered or enforced by any government authority.

"Applicable Law" means with respect to any Person, property or matter, any of the following applicable thereto: any constitution, writ, injunction, statute, law, regulation, ordinance, rule, judgment, rule of common law, order, decree, court decision, Authorization, approval, concession, grant, franchise, license, agreement, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing, by any Governmental Authority, whether in effect as of the date hereof or thereafter and, in each case, as amended, including Environmental Laws.

"Approved Affiliate" means each Affiliate or Approved Fund of Chutzpah Holdings, Ltd. that is listed on Schedule 10.04.

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank Notes and similar extensions of credit in the ordinary course.

"Assignment and Assumption" means an assignment and assumption entered into by a Purchaser and an assignee (with the consent of any party whose consent is required by Section 10.04), in form approved by the Administrative Agent.

"Authorization" means any consent, waiver, variance, registration, filing, declaration, agreement, notarization, certificate, license, tariff, approval, permit, orders, authorization, exception or exemption from, by or with any Governmental Authority, whether given by express action or deemed given by failure to act within any specified period, and all corporate, creditors', shareholders' and partners' approvals or consents.

"Authorized Representative" means, with respect to any Person, the chief executive officer, the chief financial officer or any other appointed officer of such Person as may be designated from time to time by such Person in writing. Any document or certificate delivered under the Note Documents that is signed by an Authorized Representative may be conclusively presumed by the Administrative Agent and the Purchasers to have been authorized by all necessary corporate, limited liability company or other action on the part of the relevant Person.

"Availability Period" means the period commencing from and including the Effective Date and ending upon the earlier of (i) the Maturity Date, and (ii) the date of termination of the Commitment pursuant to the terms hereof.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" means (a) with respect to any EEA Member Country which has implemented Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the relevant implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule from time to time, (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings) and (c) in relation to any state other than such an EEA Member Country or the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation.

"Bankruptcy" means with respect to any Person (a) commencement by such Person of any case or other proceeding (i) under any law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, rehabilitation, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, rehabilitation, arrangement with its creditors, adjustment, winding-up, administration, liquidation, dissolution, composition or other relief (including a moratorium) with respect to it or its debts, or (ii) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets (whether temporary or permanent); (b) commencement against such Person of any case or other proceeding of a nature referred to in clause (a)(i) or (a)(ii) above which (i) results in the entry of an order for relief, a stay of proceedings, or any such adjudication or appointment or (ii) remains undismissed, undischarged or unbonded for a period of sixty (60) days; (c) commencement against such Person of any case or other proceeding seeking issuance of a warrant of attachment, execution or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; (d) such Person shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (a), (b) or (c) above; or (e) such Person shall admit in writing its inability to pay its debts as they become due or shall make a general assignment for the benefit of its creditors.

"Beneficial Ownership Certification" means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Board Observer Rights Agreement" means that certain Board Observer Rights Agreement, dated as of the date hereof, by and among the Company and the Purchasers.

"Business" has the meaning assigned to such term in the recitals.

"Business Day" means a day other than a Saturday, Sunday or other day on which commercial banks in New York City, New York, France or the State of Israel are authorized or required by law to close.

"Capital Lease Obligations" means, with respect to any Person, the obligations of such Person to pay rent or any other amounts under any lease of (or other arrangements conveying the right to use) real or personal property, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person in accordance with GAAP, and the amount of such obligations shall be the amount thereof capitalized in accordance with GAAP.

"Capital Rights" means all (a) options, warrants, purchase rights, conversion rights, convertible or exchangeable securities and other rights to subscribe for, purchase or otherwise acquire any Capital Stock, with or without payment of consideration, whether immediately or upon the occurrence of any specified date or event(s) or the satisfaction or any condition(s), and (b) rights that confer on any Person the economic benefits and/or burdens of any Capital Stock, including a share of the profits and/or losses of, or distribution of the assets of the issuer of such Capital Stock (whether through stock appreciation, phantom equity, profit participation or other similar rights).

"Capital Stock" means, with respect to any Person (other than any natural person), any and all corporate or capital stock, shares, partnership interests, limited liability company interests, membership interests or units, Capital Rights or any other equity interests (however designated, whether voting or nonvoting, ordinary or preferred) of such Person, now or hereafter outstanding.

"Cash Equivalents" means:

(a) direct obligations of or obligations guaranteed or insured by the government or any agency of the United States of America, the State of Israel, the United Kingdom, or any member nation of the European Union rated A-2 (or the equivalent thereof) or better by S&P or P-2 (or the equivalent thereof) or better by Moody's, in each case with maturities not exceeding two years, including treasury bills issued by the State of Israel ("*Makam*") and bonds issued by the State of Israel;

(b) time deposit accounts with, certificates of deposit and money market deposits (including short term deposits ("*Pakam*") and Israeli money market funds "*keren neemanut kaspit*"), maturing within 12 months from the date of acquisition thereof, issued by, a bank or trust company (i) having capital, surplus and undivided profits in excess of (x) $250,000,000 in the case of U.S. banks and (y) $100,000,000 (or the equivalent thereof in any other currency as of the date of determination) in the case of non-U.S. banks, or (ii) whose long-term debt, or whose parent holding company's long-term debt, is rated A-2 (or such similar equivalent rating or higher) by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act);

(c) repurchase obligations for underlying securities of the types described in clause (a) above entered into with a bank meeting the qualifications described in clause (b) above;

(d) commercial paper, maturing not more than 12 months after the date of acquisition, issued by a corporation (other than an Affiliate of the Company) organized and in existence under the laws of the United States of America or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of P-2 (or higher) according to Moody's or A-2 (or higher) according to S&P (or the equivalent thereof);

(e) securities with maturities of two years or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and having an investment grade rating by S&P or Moody's (or the equivalent thereof);

(f) shares of mutual funds whose investment guidelines restrict 90% of such funds' investments to those satisfying the provisions of clauses (a) through (e) above;

(g) taxable and tax-exempt auction rate securities rated AAA by S&P and Aaa by Moody's and with a reset of less than 90 days;

(h) money market funds that (i) comply with the criteria set forth in Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated A or higher by S&P and A-2 or higher by Moody's and (iii) have portfolio assets of at least $500,000,000; and

(i) cash.

"CFC" has the meaning assigned to such term in Section 2.10(g)(iii).

"Change in Law" means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof (including any change in the reserve percentage under, or other change in, Regulation D) by any Governmental Authority after the date of this Agreement or (c) compliance by any Purchaser with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement. Notwithstanding anything herein to the contrary, (x) the Dodd Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Change of Control" means:

(a) Company shall cease to directly own 100% (on a fully diluted basis) of the aggregate voting and economic interests in the Capital Stock of (i) the French Issuer or (ii) any other Guarantor;

(b) at any time prior to consummation of a Qualified IPO, the Existing Owners shall collectively cease to, directly or indirectly, (i) own and control more than fifty percent (50%) of the outstanding Capital Stock of the Company or (ii) possess the right to elect (through contract, ownership of voting securities or otherwise) at all times a majority of the board of directors (or similar governing body) of the Company and to direct the management policies and decisions of the Company;

(c) at any time on or after consummation of a Qualified IPO, any Person or "group" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act) other than the Existing Owners shall have (x) acquired beneficial ownership or control of 35% or more of the voting power in the Capital Stock of the Company and (y) acquired beneficial ownership or control of voting and/or economic interests in the Capital Stock of the Company in excess of those interests owned and controlled by the Existing Owners at such time; or (z) obtained the power (whether or not exercised) to elect a majority of the members of the board of directors (or similar governing body) of the Company.

"Chutzpah Entity" means each of Chutzpah Holdings, Ltd. or any of its Affiliates.

"Closing Date" means each date on or following the Effective Date on which all conditions precedent specified in Section 4.02 are satisfied (or waived by the Administrative Agent and the Purchasers in their sole discretion in accordance with Section 10.02).

"Code" means the U.S. Internal Revenue Code of 1986, as amended.

"Collateral" shall mean the assets, properties and rights granted as security in favor of the Collateral Agent pursuant to the Security Documents.

"Collateral Accounts" means all accounts of the Note Parties, including the accounts listed on Schedule 3.23, in each case other than Excluded Accounts.

"Collateral Agent" means Chutzpah Holdings, Ltd., in its capacity as collateral agent for the Secured Parties under the Security Documents, and any permitted assignee or successor thereto pursuant Article VIII.

"Commitment" means, in the case of each Purchaser that is a Purchaser on the Effective Date, its obligation to purchase Notes from the Issuers pursuant to this Agreement, in an aggregate principal amount equal to the amount set forth opposite such Purchaser's name on Annex I under the caption Commitment, or in any Assignment and Assumption pursuant to which such Purchaser becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. The aggregate amount of the Commitments as of the Effective Date is $60,000,000.

"Common Stock" means shares of common Capital Stock of the same class or series as the Capital Stock of the registrant in the Qualified IPO that were sold to the public.

"Condemnation" means any taking, seizure, confiscation, requisition, exercise of rights of eminent domain, public improvement, inverse condemnation, condemnation, expropriation, nationalization or similar action of or proceeding by any Governmental Authority affecting any property of a Gauzy Company.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Conversion Percentage" means eighty percent (80%); provided that if a Qualified IPO has not been consummated on or prior to the one (1) year anniversary of the Effective Date, the Conversion Percentage shall be equal to seventy-five percent (75%) and such Conversion Percentage shall be further decreased by an additional five percent (5%) every six (6) months after the one (1) year anniversary of the Effective Date until a Qualified IPO has been consummated (for example, if a Qualified IPO is not consummated until the twenty (20) month anniversary of the Closing, then the Conversion Percentage will be equal to seventy percent (70%)); provided, further, that, notwithstanding the foregoing, in no event shall the Conversion Percentage be less than fifty percent (50%).

"Conversion Price" means, as of the date of any conversion of the principal of a Note pursuant toSection 2.06(d), an amount equal to (a) the 30-day volume-weighted average closing price per share of Common Stock on the applicable exchange on which the Common Stock is then-listed *multiplied by* (b) the Conversion Percentage.

"Converted Shares" means, with respect to any conversion of the principal of a Note pursuant toSection 2.06(d), a number of shares of Common Stock (if a Qualified IPO has occurred) equal to (x) the applicable Principal Conversion Amount *divided by* (y) the Conversion Price.

"Default" means any event, condition or circumstance that, with notice or lapse of time or both, would (unless cured or waived) become an Event of Default.

"Disposition" means any sale, transfer or other disposition of any assets or property by any Person,*provided* that "Disposition" shall not to include any issuance or sale by such Person of its Capital Stock.

"Disqualified Purchaser" means any competitor of the Gauzy Companies that is identified in writing to the Administrative Agent (which list of competitors may be

supplemented from time to time by the Company after the Effective Date) or any Affiliate of such Person.

"Dollars" or "$" refers to the lawful currency of the United States of America.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clause (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Effective Date" means the date on or following the date of execution of this Agreement on which all conditions precedent specified in Section 4.01 are satisfied (or waived by the Administrative Agent and the Purchasers in their sole discretion in accordance with Section 10.02).

"Effective Date Existing Financing" means that certain Facility Agreement, dated as of January 19, 2022 (as amended).

"Environment" means soil, surface water and groundwater (including potable water, groundwater and wetlands), the land, surface or subsurface strata or sediment, indoor and ambient air, and natural resources such as flora and fauna or otherwise defined in any Environmental Law.

"Environmental Claim" means any administrative or judicial action, suit, proceeding, notice, claim or demand by any Person seeking to enforce any obligation or responsibility arising under or relating to Environmental Law or alleging or asserting liability for investigatory costs, cleanup or other remedial costs, legal costs, environmental consulting costs, governmental response costs, damages to natural resources or other property, personal injuries, fines or penalties related to (a) the presence, or Release into the Environment, of any Hazardous Material at any location, whether or not owned by the Person against whom such claim is made, or (b) any violation of, or alleged violation of, or liability arising under any Environmental Law. The term "Environmental Claim" shall include, without limitation any claim by any Person for damages, contribution, indemnification, cost recovery, compensation or injunctive relief or costs associated with any remediation plan, in each case, under any Environmental Law.

"Environmental Laws" means any Applicable Laws regulating or imposing liability or standards of conduct concerning or relating to pollution or the protection of human health and safety, the Environment, natural resources or special status species and their habitat, including all Applicable Laws concerning the presence, use, manufacture, generation, transportation, Release, threatened Release, disposal, arrangement for disposal, dumping, discharge, treatment, storage or handling of Hazardous Materials.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Company, is treated as a single employer under Sections 414(b), (c), (m) or (o) of the Code.

"ERISA Event" means (a) a Reportable Event with respect to any Pension Plan, (b) the failure by any Pension Plan to satisfy the minimum funding standard (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such plan, whether or not waived, (c) the filing of a notice of intent to terminate a Pension Plan in a distress termination (as described in Section 4041(c) of ERISA), (d) a complete or partial withdrawal by the Company or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization or insolvent (within the meaning of Title IV of ERISA), (e) the imposition or incurrence of any liability under Title IV of ERISA, other than PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Issuer or any ERISA Affiliate, (f) the institution by the PBGC of proceedings to terminate a Pension Plan or Multiemployer Plan, (g) the appointment of a trustee to administer any Pension Plan under Section 4042 of ERISA, or (h) the imposition of a Lien upon the Company pursuant to Section 430(k) of the Code or Section 303(k) of ERISA.

"Erroneous Payment" has the meaning assigned to it in Section 8.10(a).

"Erroneous Payment Deficiency Assignment" has the meaning assigned to it in Section 8.10(d)(i).

"Erroneous Payment Impacted Class" has the meaning assigned to it in Section 8.10(d)(i).

"Erroneous Payment Return Deficiency" has the meaning assigned to it in Section 8.10(d)(i).

"Erroneous Payment Subrogation Rights" has the meaning assigned to it in Section 8.10(e).

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Event of Abandonment" means (a) the abandonment by the Gauzy Companies taken as a whole of the Business for a period of ninety (90) or more consecutive days; or (b) the written announcement by the Company of the intention to do any of the foregoing in clause (a).

"Event of Default" has the meaning assigned to such term in Section 7.01.

"Event of Loss" means any loss of, destruction of or damage to, or any Condemnation or other taking of any property of any Gauzy Company.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Excluded Accounts" means any deposit account of the Note Parties (a) which is used solely as an escrow account or as a fiduciary or trust account or is otherwise held exclusively for the benefit of an unaffiliated third party, (b) which is used solely to pay payroll, employee wage and benefit payments or payroll taxes or (c) which contains less than $100,000 in the aggregate for any Note Party.

"Excluded Property" means, (a) any property to the extent that a grant of a security interest in such property is prohibited by a Governmental Authority, requires a consent not obtained of any Governmental Authority pursuant to Applicable Law or is prohibited by, or constitutes a breach or default under or results in the termination of, or grants any Person (other than any Note Party) the right to terminate its obligations thereunder, or constitutes or results in the abandonment, invalidation or unenforceability of any right, title or interest of any Note Party therein, or requires any consent not obtained under, any lease, contract, Authorization, license, agreement, instrument or other document evidencing or giving rise to such property, except to the extent that the term in such lease, contract, Authorization, license, agreement, instrument or other document providing for such prohibition, breach, default or termination or requiring such consent is ineffective under Applicable Law (including, without limitation, pursuant to Section 9-406, 9-407, 9-408 or 9-409 of the UCC); provided that any such property shall constitute Excluded Property only to the extent and for so long as the consequences specified above shall exist and shall cease to be Excluded Property and shall become subject to the Lien of the Security Documents immediately and automatically, at such time as such consequence shall no longer exist; (b) any property owned or acquired by any Note Party that is subject to a purchase money Lien or a capital lease, in each case constituting Permitted Indebtedness, to the extent that such property is acquired or refinanced with the proceeds of such purchase money obligations, the Lien securing such purchase money obligations is a validly perfected Permitted Lien and the contract or other agreement in which such Permitted Lien is granted (or in the documentation providing for such capital lease) prohibits or requires the consent of any Person other than any Note Party as a condition to the creation of any other Lien on such equipment; (c) any intent-to-use trademark application prior to the filing of a "Statement of Use" or "Amendment to Allege Use" with respect thereto,

to the extent, if any, that, and solely during the period, if any, in which, the grant of a security interest therein would impair the validity or enforceability of any registration issuing therefrom under applicable federal law; (d) any real property leasehold interests, or other license or occupancy agreements for the use, occupancy and operating of such property (including any requirement to obtain any landlord waivers, estoppels and consents); and (e) all property with respect to which the Company and the Administrative Agent reasonably agree that the costs of obtaining security interests therein are excessive in relation to the value of the security to be afforded thereby.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, imposed as a result of such Recipient being organized under the laws of, or having its principal office in the jurisdiction imposing such Tax (b) any United States federal withholding Taxes imposed under FATCA or pursuant to a law in effect at the time such Recipient becomes a party to this Agreement (or designates a new lending office), and (c) any French withholding Tax levied on any payment due to a Recipient as a result of such Recipient (x) being incorporated, organized, engaged in business through a branch, agency, or permanent establishment or resident for tax purposes in, or (y) requesting to be paid on a bank account located, or opened, or organized under the laws of, any non-cooperative states and territories (*Etats et territoires non coopératifs*) within the meaning of Article 238-0 A of the French Code *général des impôts* other than those states and territories mentioned in 2° of 2 bis of Article 238-0 A of the French Code*général des impôts*.

"Existing Owners" means the Persons set forth on Schedule 1.01.

"Exit Fee" has the meaning assigned to such term in Section 2.07.

"External Accountants" has the meaning assigned to it in Section 2.10(g)(i).

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules, or practices adopted pursuant to any intergovernmental agreement, treaty, or convention among Governmental Authorities and implementing such Sections of the Code.

"FCPA" means the United States Foreign Corrupt Practices Act of 1977, as amended.

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Foreign Plan" means any employee pension benefit plan, program, policy, arrangement or agreement maintained or contributed to by any Gauzy Company or with respect to which any Gauzy Company could reasonably be expected to have any liability, in each case with respect to employees employed outside the United States (as such term is defined in Section 3(10) of ERISA) (other than any arrangement with the applicable Governmental Authority).

"French Civil Code" means the French Code civil.

"French Commercial Code" means the French Code de commerce.

"French Guarantor" means any Guarantor incorporated in France.

"French Security" means any Lien created or expressed to be created under any French Security Document.

"French Security Documents" means

(a) to be granted on the Effective Date:

(i) a French law governed pledge (*nantissement*) granted by the Company over the securities account on which are registered all the shares issued by the French Issuer;

(ii) a French law governed pledge (*nantissement*) granted by the Company over the intra-group receivables of the Company;

(iii) a French law governed pledge (*nantissement*) granted by the French Issuer over its bank accounts in France;

(iv) a French law governed pledge (*nantissement*) granted by the French Issuer over the intra-group receivables of the French Issuer; and

(v) a French law governed pledge (*nantissement*) granted by the French Issuer over the securities account on which are registered all the shares issued by Gauzy SAS; and

(b) any other French law governed document creating or expressed to create a Lien as the Administrative Agent and the Company may agree would be granted by any Note Party following the Effective Date.

"French Senior Secured Notes" means all notes originally issued to Purchasers pursuant to this Agreement by the French Issuer or delivered in substitution or exchange therefor, being collectively called the "French Senior Secured Notes" and individually a "French Senior Secured Note".

"Funds Flow Memorandum" means the memorandum, in form and substance satisfactory to the Administrative Agent detailing the proposed flow, and use, of the proceeds of the Notes on any Closing Date.

"GAAP" means generally accepted accounting principles in effect from time to time in the United States of America, applied on a consistent basis.

"Gauzy Companies" means, collectively, the Note Parties and their respective Subsidiaries from time to time.

"Gauzy Equity Document" means, collectively (a) the Board Observer Rights Agreement, (b) any Registration Rights Agreement, (c) the Warrant Agreements, (d) any agreement contemplated by (a) through (c) entered into on or after the Effective Date.

"German Guarantor" means any Guarantor incorporated in Germany.

"German Security Documents" means the share pledge agreement over shares in Gauzy GmbH, a limited liability company with business address Buchenstr. 2, 72172 Sulz am Neckar, Germany, registered with the commercial register of the local court of Stuttgart under registration number HRB 768568.

"Government Official" means an official of a Governmental Authority.

"Governmental Authority" means any federal, tribal, regional, state or local government, or political subdivision thereof or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government and having jurisdiction over the Person or matters in question, including all agencies and instrumentalities of such governments and political subdivisions.

"Guarantee" means as to any Person (the "guaranteeing person"), any obligation of (a) the guaranteeing person or (b) another Person (including any bank under any letter of credit), if to induce the creation of such obligation of such other Person, the guaranteeing person has issued a reimbursement, counterindemnity or similar obligation, in either case guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any Property constituting direct or indirect security therefor, (ii) to advance or supply funds (A) for the purchase or payment of any such primary obligation or (B) to maintain working capital or of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase Property, securities or services, in each case, primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; *provided* that (x) the term Guarantee shall not include endorsements of instruments for deposit or collection in the ordinary course of business and (y) standard contractual indemnities or product warranties provided in the ordinary course of business. The amount of any Guarantee of any guaranteeing person shall be deemed to be the lower of (x) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made and (y) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Company in good faith.

"Guaranteed Obligations" means, with respect to any Guarantor, the Obligations whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising.

"Guarantors" means the Company, French Issuer (other than in respect of its direct Obligations as a primary obligor), Gauzy USA, Inc., Gauzy GmbH.

"Hazardous Material" means, but is not limited to, any solid, liquid, gas, odor, radiation or other substance or emission which is a contaminant, pollutant, dangerous substance, toxic substance, regulated substance, hazardous waste, subject waste, hazardous material or hazardous substance which is or becomes regulated by applicable Environmental Laws or which is classified as hazardous or toxic under applicable Environmental Laws (including gasoline, diesel fuel or other petroleum hydrocarbons, polychlorinated biphenyls, asbestos and urea formaldehyde foam insulation) or with respect to which liability or standards of conduct are imposed under any Environmental Laws.

"Highest Lawful Rate" means with respect to each Purchaser, the maximum nonusurious interest rate, if any, that may be contracted for, taken, reserved, charged or received on the Notes under laws applicable to such Purchaser which are in effect at the relevant time.

"Indebtedness" of any Person means, without duplication, all (a) indebtedness for borrowed money and every reimbursement obligation with respect to letters of credit, bankers' acceptances or similar facilities, (b) obligations evidenced by bonds, debentures, notes or other similar instruments, (c) obligations to pay the deferred purchase price of property or services, except (i) accounts payable and accrued expenses arising in the ordinary course of business and payable within 365 days past the later of the original invoice or billing date thereof and (ii) accrued pension costs and other employee benefit and compensation obligations arising in the ordinary course of business, (d) liabilities under interest rate or currency Swap Agreements, interest rate or currency collar agreements and all other agreements or arrangements designed to protect against fluctuations in interest rates and currency exchange rates, (e) the capitalized amount (determined in accordance with GAAP) of all payments due or to become due under all leases and agreements to enter into leases required to be classified and accounted for as a capital lease in accordance with GAAP, (f) reimbursement obligations (contingent or otherwise) pursuant to any performance bonds or collateral security, (g) Indebtedness of others described in clauses (a) through (f) above secured by (or for which the holder thereof has an existing right, contingent or otherwise, to be secured by) a Lien on the property of such Person, whether or not the respective Indebtedness so secured has been assumed by such Person and (h) Indebtedness of others described in clauses (a) through (g) above guaranteed by such Person. The Indebtedness of any Person shall include the Indebtedness of any partnership in which such Person is a general partner to the extent such Person is liable therefor as a result of such Person's general partner interest in such partnership, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor. For all purposes hereof, the Indebtedness of any Gauzy Company shall exclude intercompany liabilities arising from their cash management, tax, and accounting operations and intercompany loans, advances or Indebtedness made in the ordinary course of business.

"Indemnified Party" has the meaning assigned to such term in Section 10.03(b).

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment or deemed payment made or deemed or delivery made by or on account of any obligation of any Note Party under this Agreement or any Note Document and (b) Other Taxes.

"Independent Auditor" means (a) PwC or any other "big four" accounting firm as selected by the Company and notified to the Administrative Agent, or (b) such other firm of independent public accountants of recognized national standing in the United States selected by the Company and acceptable to the Administrative Agent, acting reasonably.

"Intellectual Property" means the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including copyrights, patents, trademarks, service marks, trade dress, domain names, trade secrets, and all intellectual property rights in social media accounts/user names/handles, technology, inventions, know-how and processes, Software, data and database rights, and all other proprietary rights.

"Interest Rate" means a rate per annum equal to 16.00%.

"Investment" means for any Person (a) the acquisition (whether for cash, Property of such Person, services or securities or otherwise) of Capital Stock, bonds, notes, debentures, debt securities or hybrid securities (whether or not convertible or exchangeable into Capital Stock) of, or any Property constituting an ongoing business, line of business, division or business unit of or constituting all or substantially all the assets of, or the making of any capital contribution to, any other Person, (b) the making of any advance, loan or other extension of credit to, any other Person (including the purchase of Property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such Property to such Person, but excluding (i) any such advance, loan or extension of credit having a term not exceeding one hundred eighty (180) days representing the purchase price of inventory or supplies sold in the ordinary course of business or (ii) intercompany liabilities arising from their cash management, tax, and accounting operations and intercompany loans, advances or Indebtedness not exceeding 180 days (inclusive of any roll-over or extensions of terms) made in the ordinary course of business), (c) the entering into of any Guarantee with respect to Indebtedness or other liability of any other Person, and (d) any other investment that would be classified as such on a balance sheet of such Person in accordance with GAAP.

"IIA" means the Israeli Innovation Authority (formerly known as the Office of the Chief Scientist).

"IIA-Funded Know-How" means the Intellectual Property forming part of the Collateral that was developed with the support of the IIA, including any rights derived therefrom.

"IIA Provision" has the meaning assigned to such term in Section 10.19.

"IIA Undertaking" means an undertaking letter from the Collateral Agent to the IIA substantially in the form required by the IIA.

"IPO Entity" means, at any time upon and after a Qualified IPO, either the Company or a Parent Entity of the Company, as the case may be, the Capital Stock of which were (x)

issued or otherwise sold in a Qualified IPO or (y) purchased or otherwise acquired, by merger, consolidated or otherwise, in a transaction described in the definition of Qualified IPO; *provided* that, immediately following the Qualified IPO, unless the Company is the IPO Entity, the Company is a direct or indirect wholly-owned subsidiary of such IPO Entity and such IPO Entity owns, directly or through its subsidiaries, substantially all the businesses and assets owned or conducted, directly or indirectly, by the Company immediately prior to the Qualified IPO.

"Israeli Companies Law" means the Israeli Companies Law, 5759-1999, as amended from time to time, and any regulations promulgated thereunder.

"Israeli Fixed and Floating Charge Debenture" means the Israeli law fixed and floating charge debenture, dated on or about the hereof, by and between the Company and the Collateral Agent, creating an Israeli law floating charge over all of the Company's assets (other than Excluded Property) and an Israeli law fixed and floating charge over the assets specified therein in favor of the Collateral Agent (on behalf of the Secured Parties).

"Israeli Guarantor" means any Guarantor incorporated in Israeli.

"Israeli Insolvency Law" means the Israeli Insolvency and Economic Rehabilitation Law, 5778-2018, as amended from time to time, and any regulations promulgated thereunder.

"Israeli R&D Law" means the Israeli Encouragement of Research, Development and Technological Innovation in Industry Law, 5744-1984, as amended from time to time, and any regulations promulgated thereunder.

"Israeli Security Documents" means the Israeli Fixed and Floating Charge Debenture.

"Issuers" has the meaning assigned to such term in the preamble.

"Knowledge" or a similar phrase used with respect to the Note Parties or Gauzy Companies to qualify a representation or warranty of the Note Parties or Gauzy Companies means the actual knowledge (after reasonable investigation and assuming such knowledge as the individual would have as a result of the reasonable performance of his or her duties in the ordinary course) of the CEO and any C-level officer reports directly to the CEO of the Company and the French Issuer.

"Lien" means any mortgage, charge, pledge, lien (statutory or other), privilege, security interest, hypothecation, collateral assignment or preference, priority or other security agreement, mandatory deposit arrangement, preferential arrangement, easement, lease, title defect, restriction or other encumbrance upon or with respect to any property of any kind, real or personal, movable or immovable, now owned or hereafter acquired (including any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing and the filing of any financing statement under the Uniform Commercial Code or comparable law of the relevant jurisdiction).

"Material Adverse Effect" means a material adverse effect on: (a) the business, assets, properties (including any Intellectual Property), operations, or financial condition of the Gauzy Companies, taken as a whole; (b) the ability of the Note Parties, taken as a whole, to perform their payment obligations under the Note Documents in accordance with the terms thereof; or (c) the rights and remedies of the Secured Parties, taken as a whole, under the Note Documents.

"Maturity Date" means the earlier to occur of (a) November 8, 2028, and (b) the date upon which the entire outstanding principal amount of the Notes, together with all unpaid interest, fees, charges and costs, shall be accelerated in accordance with this Agreement.

"Minimum Return" means an amount (if any) necessary for the Purchasers to achieve a 1.50 to 1.00 return on the aggregate original principal amount of all Notes issued hereunder (the calculation of which shall take into account the aggregate amount of the payments specified under the definition of "Prepayment Premium MOIC Amount", but shall not include any amounts received by any Purchaser pursuant to the Warrant Agreements or the exercise thereof).

"Moody's" means Moody's Investors Service, Inc., or any successor to the rating agency business thereof.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA that is subject to Title IV of ERISA to which any Gauzy Company contributes or is obligated to contribute, or with respect to which any Gauzy Company has or could reasonably be expected to have any liability.

"Note" or "Notes" shall mean the French Senior Secured Notes and any other Senior Secured Notes, collectively, in each case, authorized for issuance and sale and issued by the Issuers, respectively, in accordance with this Agreement, as amended from time to time, and all notes issued in exchange, substitution or replacement therefor.

"Note Documents" means this Agreement, the Security Documents, and each certificate, agreement, instrument, waiver, consent or document executed by a Note Party, identified by its terms as a "Note Document" and delivered by or on behalf of a Note Party to Agent or any Purchaser in connection with or pursuant to any of the foregoing.

"Note Parties" means, collectively, the Issuers and each other Guarantor.

"Note Party Intellectual Property" means all Intellectual Property (including registered Intellectual Property) owned, controlled, used or held for use by any Note Party or Subsidiary in connection with the operation of the business of the Note Parties and their Subsidiaries as now conducted and as currently proposed to be conducted.

"Notice of Issuance" means a written notice of issuance substantially in the form of Exhibit B.

"Obligations" means all advances to, and debts (including Accrued Interest, interest accruing after the maturity of the Notes and interest accruing after the filing of any Bankruptcy), liabilities, obligations, Prepayment Premium MOIC Amount of, any Note Party owing to the Purchasers arising under any Note Document (which for the avoidance of doubt would not include any obligations under the Warrant Agreements), or otherwise with respect to any Notes, in each case whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising.

"Officer's Certificate" means, with respect to any Note Party, a certificate signed by an Authorized Representative of such Note Party.

"Organizational Documents" means, with respect to any Person, (i) in the case of any corporation, the certificate of incorporation (if any), by-laws, shareholder or investor rights agreement, the memorandum of association and the articles of association (or similar documents) of such Person, as applicable, (ii) in the case of any limited liability company, the certificate of formation and operating agreement (or similar documents) of such Person, (iii) in the case of any limited partnership, the certificate of formation and limited partnership agreement (or similar documents) of such Person, (iv) in the case of any general partnership, the partnership agreement (or similar document) of such Person and (v) in any other case, the functional equivalent of the foregoing (or similar document) executed, adopted or filed in connection with the creation, formation, organization or governance of such Person or otherwise to provide for the rights and/or obligations of the holders of Capital Stock of such Person with respect to each other and such Person.

"Other Taxes" means any and all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes arising from any payment made under any Note

Document or from the execution, delivery, performance, registration or enforcement of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Note Document, and, excluding, for the avoidance of doubt, Excluded Taxes.

"Parent Entity" means any direct or indirect parent entity of the Company (other than a Person formed in connection with, or in contemplation of, a Change of Control transaction that results in a modification of the beneficial ownership of the Company) that beneficially owns Capital Stock representing 100% of the aggregate ordinary voting power represented by the issued and outstanding Capital Stock of the Company; provided that the ultimate beneficial ownership of the Company has not been modified by the transaction by which such parent entity became the beneficial owner of Capital Stock representing 100% of the aggregate ordinary voting power represented by the issued and outstanding Capital Stock of the Company.

"Participant" has the meaning assigned to such term in Section 10.04(f).

"Participant Register" has the meaning assigned to such term in Section 10.04(f).

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Pension Plan" means any employee pension benefit plan as defined in Section 3(2) of ERISA (other than a Multiemployer Plan) that is subject to the provisions of Title IV or Section 302 of ERISA, or Section 412 of the Code, and in respect of which any Gauzy Company is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA or with respect to which any Gauzy Company has or could reasonably be expected to have any liability.

"Permitted Contest Conditions" means, with respect to any Gauzy Company, a contest, pursued in good faith, by appropriate proceedings timely instituted if (a) such Gauzy Company diligently pursues such contest, and (b) such Gauzy Company establishes adequate reserves with respect to the contested claim if and to the extent required by GAAP.

"Permitted Indebtedness" has the meaning assigned to such term in Section 6.02.

"Permitted Lien" means,

(a) with respect to any property (other than Capital Stock), any of the following:

(i) Liens arising by reason of:

(A) taxes, assessments or governmental charges either secured by a bond or which are not yet due or payable, or which are being contested pursuant to the Permitted Contest Conditions;

(B) security, pledges or deposits in the ordinary course of business for payment of workmen's compensation or unemployment insurance or other types of social security benefits;

(C) licenses of trademarks, tradenames, copyrights, patents and other Intellectual Property granted in the ordinary course of business; and

(D) good faith deposits or pledges incurred or created in connection with or to secure the performance of bids, tenders, contracts (other than contracts for the payment of money), leases, statutory obligations, surety bonds, custom or appeal bonds, performance bonds, bankers acceptance facilities and other obligations of a like nature, in each case entered into in the ordinary course of business or under Applicable Law.

(ii) Liens of mechanics, carriers, landlords, warehousemen, materialmen, laborers, repairmen's or suppliers or any similar Liens arising by operation of law or contract incurred in the ordinary course of business with respect to obligations which are (a) not yet delinquent or (b) which are being contested pursuant to the Permitted Contest Conditions;

(iii) Liens arising out of judgments that do not constitute an Event of Default;

(iv) Liens arising with respect to zoning restrictions, easements, leases, subleases, licenses, sublicenses, reservations, covenants, rights-of-way, utility easements, building restrictions and other similar charges or encumbrances on the use of real property which in each case, individually or in the aggregate, do not materially detract from the value of the affected property and do not materially interfere with the use or operation of the affected property in the ordinary conduct of the business of such Gauzy Company and any interest or title (and all encumbrances and other matters affecting such interest or title) of a lessee, licensee, sublessee or sublicensee thereunder;

(v) Liens or the interests of lessors to secure purchase money obligations permitted under Section 6.02(b) or Section 6.02(g); *provided* that, in each case, such Lien encumbers only the specific goods or equipment so purchased or sold, as applicable, and proceeds thereof;

(vi) Liens arising under ERISA and Liens arising under the Code with respect to an employee benefit plan (as defined in Section 3(2) of ERISA) that do not constitute an Event of Default under Section 7.01(i);

(vii) Liens or pledges over operating accounts of any Gauzy Company specified in Schedule 3.23 as being subject to a Lien (or any replacement account notified by such Gauzy Company from time to time), in favor of the bank or financial institution with which that account is maintained, securing Indebtedness incurred by that Gauzy Company in connection with banking services and financial arrangements offered or made available by that bank or financial institution to the extent permitted under Section 6.02(g);

(viii) Liens created under the Security Documents;

(ix) Liens created under the Effective Date Existing Financing;

(x) Liens or pledges of deposits of cash securing (i) the performance of bids, contracts, leases, statutory obligations, surety and appeal bonds, performance bonds or other surety obligations entered into in the ordinary course of business or under Applicable Law and (ii) reimbursement obligations with respect to letters of credit to the extent permitted under Section 6.02(e)(ii);

(xi) (i) Liens relating to banker's liens, rights of set-off or similar rights and remedies and burdening only deposit accounts or other funds maintained with a creditor depository institution, in each case, granted in the ordinary course of business in favor of such creditor depositary institution, provided that no such deposit account is a dedicated cash collateral account or is subject to restrictions against access by the depositor in excess of those set forth by regulations promulgated by the Board and no such deposit account is intended by the Company to provide collateral to the depository institution and (ii) Liens in favor of a banking or other financial institution arising as a matter of law or in the ordinary course of business under customary general terms and conditions encumbering deposits or other funds maintained with a financial institution (including the right of setoff) and that are within the general parameters customary in the banking industry or arising pursuant to such banking institution's general terms and conditions;

(xii) Liens or pledges of deposits of cash securing deductibles, self-insurance, co-payment, co-insurance, retentions or similar obligations to providers or property, casualty or liability insurance in the ordinary course of business;

(xiii) Liens made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations

(including Liens granted in order to comply with the requirements of section 8a of the German Partial Retirement Act (*Altersteilzeitgesetz*) or of section 7e of the German Social Code IV (*SGB IV*);

(xiv) Liens required to be granted under mandatory law in favor of creditors as a consequence of a merger or conversion permitted under this Agreement due to sections 22, 204 German Transformation Act (*Umwandlungsgesetz – UmwG*) or a termination of a profit and loss pooling agreement (*Beherrschungs- und Gewinnabführungsvertrag*) pursuant to section 303 German Stock Corporation Act (*Aktiengesetz – AktG*); and

(xv) customary rights of set off, bankers' liens, refunds or charge backs, under deposit agreements, the Uniform Commercial Code or any other Law, including common law, of banks or other financial institutions where any Note Party or any of such Note Party's Subsidiaries maintains deposits in the ordinary course of business (including Liens under the German general terms and conditions of banks and saving banks (*Allgemeine Geschäftsbedingungen der Banken und Sparkassen*);

(b) means, with respect to any Capital Stock, Liens arising under the Security Documents.

"Permitted Refinancing" means, with respect to any Indebtedness (the "Refinanced Indebtedness"), the incurrence of any Indebtedness in exchange for or as a replacement of (including by entering into alternative financing arrangements in respect of such exchange or replacement (in whole or in part), by adding or replacing lenders, creditors, agents, borrowers and/or guarantors, or, after the original instrument giving rise to such Indebtedness has been terminated, by entering into any credit agreement, loan agreement, note purchase agreement, indenture or other agreement), or the net proceeds of which are to be used for the purpose of any modification, refinancing, refunding, replacing, redeeming, repurchasing, defeasing, acquiring, amending, supplementing, restructuring, repaying, prepaying, retiring, extinguishing, renewal or extension of such Indebtedness (collectively, to "Refinance" or a "Refinancing" or "Refinanced"); *provided* that (a) the principal amount (or accreted value, if applicable) thereof does not exceed the principal amount (or accreted value, if applicable) of the Refinanced Indebtedness except (i) by an amount equal to unpaid accrued interest, dividend and premium (including tender premiums) thereon plus defeasance costs, underwriting discounts, other amounts paid, and fees, commissions and expenses (including upfront fees or similar fees, original issue discount or initial yield payments) incurred, in connection with such Refinancing, (ii) by an amount equal to any existing revolving commitments unutilized thereunder to the extent that the portion of any existing and unutilized revolving commitment being refinanced was permitted to be drawn under Section 6.02 immediately prior to such refinancing (other than by reference to a Permitted Refinancing) and such drawing shall be deemed to have been made and (iii) to the extent such excess amount is otherwise permitted to be incurred under Section 6.02, and (b) to the extent the Refinanced Indebtedness was secured by a Lien on the Collateral, no Lien on the Collateral securing the Indebtedness resulting from such Refinancing shall be more senior in priority relative to the Lien on the Collateral that secured the Refinanced Indebtedness and to the extent the Refinanced Indebtedness is unsecured, the Indebtedness resulting from such Refinancing shall be unsecured except to the extent otherwise permitted pursuant to Section 6.03. For the avoidance of doubt, it is understood and agreed that a Permitted Refinancing includes successive Permitted Refinancings of the same Indebtedness.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"PFIC" has the meaning assigned to such term in Section 2.10(g)(i).

"Post-Default Rate" means a rate per annum which is equal to the sum of 2.00% per annum*plus* the Interest Rate.

"Prepayment Premium Payment Date" means the earlier of (x) the Maturity Date and (y) the payment in full of the outstanding principal amount of the Notes (including upon an acceleration of the Obligations in respect of any Event of Default but excluding any prepayment specified herein to be exempt of Prepayment Premium MOIC Amount).

"Prepayment Premium MOIC Amount" means, the positive difference (if any) of (i) the product of (A) the aggregate principal amount of the Notes multiplied by (B) the Minimum Return) less (ii) the sum of (A) the aggregate principal amount of the Notes plus (B) the aggregate amount of interest on such prepaid principal amount paid or to be paid in cash or in kind to the Purchasers on the aggregate principal amount of the Notes on or prior to the date of such repayment or prepayment (exclusive of any portion of such interest that accrued at the Post-Default Rate which has not be been paid to, or collected by, the Agents), plus (C) the amount of commitment fees paid or to be paid in cash to the Purchasers on or prior to the date of such repayment or prepayment, plus (D) the amount of Exit Fee paid or to be paid in cash to the Purchasers on or prior to the date of such repayment or prepayment.

"Projections" has the meaning assigned to such term in Section 3.12(b).

"Property" means any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, including Intellectual Property.

"Purchaser" or "Purchasers" means each Person that has executed and delivered this Agreement as a "Purchaser" and such Person's permitted successors and assigns in accordance with this Agreement.

"Qualified Officer" means (a) Eyal Peso, as chief executive officer of the Company, (b) Adrian Lofer, as chief technical officer of the Company, or (c) any natural person in a position substantially similar to a position contemplated by clauses (a) or (b) and who shall have been appointed in accordance with Section 5.24.

"Qualified IPO" means, with respect to Qualified IPO Registrant, (i) an initial underwritten public offering of capital stock pursuant to an effective registration statement under the United States Securities Act of 1933, as amended, or equivalent law of another jurisdiction on an internationally-recognized stock exchange (or such other stock exchange as may be approved by the Purchasers) yielding net proceeds to the Qualified IPO Registrant of at least $50,000,000 and reflecting a pre-money valuation of the Qualified IPO Registrant that equals or exceeds $400,000,000 or (ii) a transaction between the Qualified IPO Registrant and/or its shareholders on the one hand, and a special purpose acquisition company ("**SPAC**") on the other hand, following which the Capital Stock of the Qualified IPO Registrant is either publicly traded on such stock exchange or entitled to be exchanged for shares that are publicly traded on such stock exchange (or another kind of transaction structure with a SPAC having substantially the same result), in which the combined company's net cash position after the merger is increased by at least $50,000,000 (including funds from the SPAC entity and/or a concurrent PIPE investment) and which reflects a pre-money valuation of the Qualified IPO Registrant that equals or exceeds $400,000,000.

"Qualified IPO Registrant" means the Company, any Parent Entity or any IPO Entity.

"Quarterly Date" means the last Business Day of September, December, March and June in each fiscal year, the first of which shall be the first such day after the date hereof.

"Real Property" means all parcels of real property owned or leased by the Note Parties (or in which the Note Parties hold an easement or similar interest) together with all of the Note Parties' interests in all improvements and appurtenant fixtures, equipment, personal property, easements and other property and rights incidental to the ownership, lease or operation thereof.

"Recipient" means any Agent and any Purchaser.

"Refinance" or a "Refinancing" or "Refinanced" has the meaning assigned to such term in the definition of "Permitted Refinancing".

"Refinanced Indebtedness" has the meaning assigned to such term in the definition of "Permitted Refinancing".

"Register" has the meaning assigned to such term in Section 10.04(c).

"Registration Rights Agreement" means the Registration Rights Agreement dated January 27, 2022 by and among, *inter alios*, the Company and Chutzpah Holdings Ltd., and any registration rights agreement, by and among the Company and any Purchaser or its Affiliates entered into after the Effective Date.

"Regulation D" means Regulation D of the Board.

"Regulation U" means Regulation U of the Board.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Release" means any release, spill, emission, emanation, leaking, pumping, pouring, injection, deposit, disposal, discharge, dispersal, leaching or migration into or through the indoor or outdoor Environment, including the movement through ambient air, soil, surface water, ground water, wetlands, land or subsurface strata.

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30-day notice period has been waived.

"Required Purchasers" means, as of any date, (i) so long as any Notes are held by any Chutzpah Entity, Purchasers that are Chutzpah Entities, and (ii) at any other time, Purchasers having aggregate principal amount representing more than fifty percent (50%) of the Notes outstanding on such date; *provided* that any Notes held by any Note Party or any of its Subsidiaries shall be excluded.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority or (in relation to any statute other than an EEA Member Country or the United Kingdom) any body which has authority to exercise any Write-down and Conversion Powers.

"Restricted Payment" means any dividend paid by any Gauzy Company (in cash, Property or obligations) on, or other payments or distributions on account of, or the setting apart of money for a sinking or other analogous fund for, or the purchase, redemption, retirement or other acquisition by any Gauzy Company of, any portion of any Capital Stock in any Gauzy Company.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., or any successor to the rating agency business thereof.

"Sanctioned Country" means, at any time, a country or territory that is subject to comprehensive territorial Sanctions. For the avoidance of doubt, Sanctioned Countries currently include the Crimea region of Ukraine, the so-called Donetsk People's Republic, the so-called Luhansk People's Republic, Cuba, Iran, Lebanon, North Korea and Syria.

"Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC") or the U.S. Department of State, or by the United Nations Security Council, the European Union or any EU member state, His Majesty's Treasury of the United Kingdom or the Government of the State of Israel (acting through the Israeli Ministry of Economy or the Israeli Ministry of Defence), (b) any Person operating, organized or resident in a Sanctioned Country, (c) the government of Sanctioned Country or the Government of Venezuela; or (d) any Person 50% or more owned or controlled by any such Person or Persons.

"Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the OFAC or the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any European Union member state, His Majesty's Treasury of the United Kingdom, or the Government of the State of Israel (acting through the Israeli Ministry of Economy or the Israeli Ministry of Defence).

"Secured Parties" means, collectively, (a) the Agents and (b) the Purchasers.

"Securities Act" means the Securities Act of 1933, as amended.

"Security Documents" means the French Security Documents, the German Security Document, the Israeli Security Documents and Form 10 registration forms (for purposes of filing with Israeli Registrar of Companies) required by any Security Document and any other security agreement or instrument to be executed or filed pursuant hereto or any other Note Document.

"Software" means any and all (a) computer software, including source code and object code versions, systems, development and other applications and tools (including all software implementations of algorithms, models and methodologies (whether in source code or object code) and all descriptions, schematics, flow-charts and other work product used to design, plan, organize and develop any of the foregoing), (b) data and databases, and (c) related documentation for such computer software, data and databases (including user documentation, user manuals, specifications and training materials).

"Solvent" means, with respect to the Gauzy Companies on a particular date, that on such date (a) the fair value of the property of the Gauzy Companies, taken as a whole, is greater than the total amount of liabilities, including contingent liabilities of the Gauzy Companies, taken as a whole, (b) the Gauzy Companies, taken as a whole, do not intend to incur debts or liabilities beyond the Gauzy Companies', taken as a whole, ability to pay such debts and liabilities as they mature, and (c) the Gauzy Companies, taken as a whole, are not engaged in business or a transaction, and is not about to engage in business or a transaction, for which the Gauzy Companies', taken as a whole, property would constitute an unreasonably small capital; *provided* that unless otherwise provided under Applicable Law, the amount of contingent liabilities at any time shall be computed as the amount that, in light of all the facts and circumstances existing at such date, represents the amount that can reasonably be expected (as determined by the Company) to become an actual or matured liability.

"SPAC" has the meaning assigned to such term in the definition of "Qualified IPO" in this Section 1.01.

"Subordinated Shareholder Loans" means any amount extended by a shareholder (or its relative or an Affiliate of either of them) in any company and/or partner (or its relative or an Affiliate of either of them) of any partnership, or any other Interested Party (as defined in the Israeli Securities Law, 5728-1968, and all regulations, orders and rules issued thereunder), in any way and manner, and where the lender has rights to be repaid from such corporation (whether the principal amount or whether together with linkage differentials and/or interest), whether in the present or future, and not as a residual right following liquidation, and including any loans advanced to the Company pursuant to any convertible notes or other similar instruments, in each case other than any obligations owing to the Secured Parties under the Note Documents.

"Subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing 50% or more of the equity or 50% or more of the ordinary voting power or, in the case of a partnership, 50% or more of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Swap Agreement" means any agreement or instrument (including a cap, swap, collar, option, forward purchase agreement or other similar derivative instrument) relating to the hedging of any interest under any Indebtedness or hedging of the prices of products, inputs or environmental attributes.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholdings), assessments, fees or other charges imposed by any

Governmental Authority, including any interest, additions to tax, fines or penalties applicable thereto.

"Transaction Documents" means each of the Note Documents and the Gauzy Equity Documents.

"UCC" or "Uniform Commercial Code" means the Uniform Commercial Code as in effect from time to time in the State of New York; *provided* that if, with respect to any filing statement or by reason of any mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the security interests granted to the Collateral Agent pursuant to the applicable Security Document is governed by the Uniform Commercial Code as in effect in a jurisdiction of the United States other than New York, UCC means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions of each applicable Note Document and any filing statement relating to such perfection or effect of perfection or non-perfection.

"UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended form time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"United States" and "U.S." mean the United States of America.

"USA PATRIOT Act" has the meaning assigned to such term in Section 10.17.

"VAT" means value added tax chargeable under or pursuant to Council Directive 2006/112/EC or the Sixth Council Directive of the European Communities and any other similar tax, wherever imposed.

"Vesting Instruments" has the meaning assigned to such term in Section 3.16.

"Voluntary Equity Contributions" means documented voluntary, unconditional cash equity contributions made to the Company by a non-Gauzy Company after the Effective Date.

"Warrant Agreement" means, collectively, each of those certain Warrant Agreements to be entered into by and among the Company and the Warrant Holders on the Effective Date in the form agreed between the Administrative Agent and the Company.

"Warrant Holders" means each of the Persons to whom the warrants have been issued pursuant to the Warrant Agreements.

"Write-Down and Conversion Powers" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers, and (c) in relation to any other applicable Bail-In Legislation other than the Bail-In Legislation for any EEA Member Country or the UK Bail-In Legislation, (i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers and(ii) any similar or analogous powers under that Bail-In Legislation.

Section 1.02 Terms Generally. Except as otherwise expressly provided, the following rules of interpretation shall apply to this Agreement and the other Note Documents:

(a) the definitions of terms herein shall apply equally to the singular and plural forms of the terms defined;

(b) whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms;

(c) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation";

(d) the word "will" shall be construed to have the same meaning and effect as the word "shall";

(e) unless the context requires otherwise, any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or therein) and shall include any appendices, schedules, exhibits, clarification letters, side letters and disclosure letters executed in connection therewith;

(f) any reference herein to any Person shall be construed to include such Person's successors and assigns to the extent permitted under the Note Documents and, in the case of any Governmental Authority, any Person succeeding to its functions and capacities;

(g) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision;

(h) all references herein to Articles, Sections, Appendices, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Appendices, Exhibits and Schedules to, this Agreement;

(i) the word "or" is not exclusive; and

(j) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

Section 1.03 Accounting Terms. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP. If Issuer notifies the Administrative Agent that Issuer wishes to amend any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision, regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then Issuer's compliance with such provision shall be determined on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall

have been withdrawn or such provision amended in a manner satisfactory to Issuer and the Administrative Agent. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed without giving effect to (i) any election under Financial Accounting Standards Board Accounting Standards Codification 825 (or any other Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of Issuer or any Subsidiary at "fair value", as defined therein and (ii) any treatment of Indebtedness under Accounting Standards Codification 470-20 or 2015-03 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof.

Section 1.04 Divisions. Any reference herein or in any other Note Document to a merger, transfer, consolidation, amalgamation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a division of or by a Person, or an allocation of assets to a series of a Person (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, assignment, sale or transfer or similar term, as applicable to, of or with a separate Person. Any division of a limited liability company shall constitute a separate Person hereunder and under any other Note Document (and each division of any limited liability company that is a Subsidiary, Affiliate, joint venture or any other like term shall also constitute such a separate Person or entity hereunder or any other Note Document).

Section 1.05 Israeli Terms. Where it relates to an entity incorporated, formed or established under Israeli law or a security document governed by the laws of Israel, a reference herein or therein to insolvency, bankruptcy, liquidation, receivership, administration, reorganization, dissolution, winding-up, relief of debtors, or similar proceedings hereunder shall also include the seeking of or decision or order relating to: (i) liquidation, winding-up, dissolution, administration or an arrangement ("*Hesder*") with creditors, as such terms are determined under the Israeli Companies Law and the Israeli Insolvency Law; (ii) the appointment of a receiver or trustee ("*ba'al tafkid*"), as such term is understood under the Israeli Insolvency Law; (iii) a reorganization order, freeze order, stay of proceedings order ("*Ikuv Halichim*") (or other similar remedy), relief of debtors, an order for commencing proceedings ("*Tzav le-Ptichat Halichim*"); or (iv) the recognition of a foreign proceeding with respect to an insolvency of a company ("*Hakara be Halich Zar*"), as such term is understood under the Israeli Insolvency Law.

Section 1.06 French Terms. Any reference herein or in any other Note Document, where it relates to any French entity and unless the contrary intention appears, to:

(a) an "administration", "winding-up" or "dissolution" includes a *redressement judiciaire*, *cession totale de l'entreprise*, a *liquidation judiciaire*, a *sauvegarde* (including a *sauvegarde accélérée*) under articles L. 620-1 to L. 670-8 of the French Commercial Code;

(b) a "composition", "assignment" or "arrangement with its creditors" includes a *conciliation* or a *procédure ad hoc* under articles L. 611-3 to L. 611-16 of the French Commercial Code;

(c) a "receiver", "trustee" or "other similar official" includes an *administrateur judiciaire*, *mandataire ad hoc*, *conciliateur*, *mandataire liquidateur* or any other person appointed as a result of any proceedings described in paragraph (g) below;

(d) a "moratorium" includes a *moratoire* under a *procédure de conciliation* within the meaning of articles L. 611-4 to L. 611-15 of the French Commercial Code;

(e) a "gross negligence" means a *faute lourde*;

(f) a "wilful misconduct" means a *dol;*

(g) a "Subsidiary" means, in relation to any company, another company which is controlled by it within the meaning of paragraphs I and II of article L. 233-3 of the French Commercial Code; and

(h) an entity being "insolvent" includes that entity being in a state of *cessation des paiements* as defined in article L. 631-1 of the French Commercial Code

(i) an entity being "Solvent" includes that entity not being in a state of *cessation des paiements* as defined in article L. 631-1 of the French Commercial Code or not be subject to proceedings for *mandat ad hoc*, *conciliation*, *sauvegarde, sauvegarde accélérée*, *redressement judiciaire*, *liquidation judiciaire* or a judgment for *cession totale ou partielle de l'entreprise*.

Section 1.07 German Terms. In this Agreement, where it relates to any entity incorporated or established under the laws of Germany or the context so requires, unless a contrary indication appears, a reference to:

(a) a person being unable to pay its debts includes that person being in a state of Zahlungsunfähigkeit under Section 17 of the German Insolvency Act (*Insolvenzordnung*) or being overindebted (*überschuldet*) under Section 19 of the German Insolvency Act (*Insolvenzordnung*);

(b) a liquidator, trustee in bankruptcy, administrative receiver, receiver, administrator or compulsory manager includes an insolvency administrator (Insolvenzverwalter), interim insolvency administrator (*vorläufiger Insolvenzverwalter*) or custodian (Sachwalter) or interim custodian (*vorläufiger Sachwalter*);

(c) a corporate action, formal legal proceedings or other formal procedure or formal step taken for the winding up, administration or dissolution includes liquidation (*Liquidation*) and any action taken by the competent court as set out in Section 21 of the German Insolvency Act (*Insolvenzordnung*);

(d) a moratorium includes protective shield proceedings (Schutzschirmverfahren) and insolvency plan proceedings (*Insolvenzplanverfahren*);

(e) a director or manager of a company includes any statutory legal representative(s) (*organschaftlicher Vertreter*) of a person pursuant to the laws of its jurisdiction of incorporation, including with respect to a person incorporated or established in Germany, any managing director (*Geschäftsführer*), member of the board (*Vorstand*) or proxy (*Prokurist*);

(f) a guarantee includes any guarantee (*Garantie*), any indemnity, and any joint and several (*gesamtschuldnersich*) or independent obligation (*unabhängiges Schuldversprechen*) within the meaning of German law; and the constitutional, incorporation and registry documents and/or excerpts include the relevant entity's articles of association (*Satzung*) (as filed with the competent commercial register) or partnership agreement (*Gesellschaftsvertrag*), a recent online excerpt from the competent commercial register (*elektronischer Abdruck aus dem Handelsregister*) and, as applicable, a copy of its list of shareholders (*Gesellschafterliste*) (as filed with the competent commercial register) and, as applicable, any by-laws (*Geschäftsordnungen*).

ARTICLE II

THE FACILITY AND THE NOTES

Section 2.01 Commitments.

(a) Subject to the terms and conditions of this Agreement, on the Effective Date, each Purchaser shall make available to the Issuers a credit facility, in an amount equal to its Commitment, and shall purchase on each Closing Date from time to time during the Availability Period, Notes from the relevant Issuer in an aggregate principal amount not exceeding such Purchaser's Commitment.

(b) The principal amount of any Note repaid or prepaid may not be reissued or repurchased. The Commitment of each Purchaser shall be reduced by the aggregate principal amount of the Notes issued to such Purchaser on any Closing Date, contemporaneously with the issuance of such Notes and payment of the purchase price thereof.

Section 2.02 Issuance Notification Procedure.

(a) Subject to the terms and conditions hereof, each Issuer shall be entitled to notify the Purchasers of an issuance of Notes by delivery of a Notice of Issuance, at least three (3) Business Days prior to the relevant proposed Closing Date (or, in each case, such shorter notice period as is approved by the Administrative Agent in its reasonable discretion) to the Administrative Agent, specifying (i) the proposed Closing Date, which must be a Business Day, (ii) the principal amount of French Senior Secured Notes or other type of Senior Secured Notes (as applicable) to be issued to each Purchaser, (iii) the purchase price payable by each Purchaser for the Notes to be issued to it pursuant to this Agreement, (iv) the wire instructions for delivery of the purchase price of the Notes to the Issuer, and (v) that as of the date of such issuance, the conditions set forth in Section 4.02 are satisfied. The Administrative Agent shall promptly advise the applicable Purchasers of any Notice of Issuance given pursuant to this Section (and the contents thereof).

(b) During the period from the Effective Date until March 31, 2024 the Issuers shall issue Notices of Issuance in accordance with a Drawdown Schedule attached hereto as Annex II, and thereafter may issue Notices of Issuance in accordance with the funding needs for general corporate purposes of the Issuers from time to time.

Section 2.03 Issuance and Sale of Securities.

(a) Subject to the terms and conditions set forth in this Agreement, including the satisfaction (or if applicable, waiver) of all of the conditions set forth in Section 4.02, on each Closing Date, the relevant Issuer will issue and sell to each of the Purchasers and each of the Purchasers, severally and not jointly, shall purchase from that Issuer, the Notes to be purchased by each of them, in each case in accordance with the relevant Notice of Issuance.

(b) The consummation of the sale and purchase of the Notes to be purchased under this Agreement shall take place remotely via the electronic exchange of documents and signatures (or electronic counterparts) and transfer of the purchase price of the Notes in accordance with the relevant Notice of Issuance on the relevant Closing Date (or such other time and place as the parties shall agree).

(c) Each issuance of Notes under this Agreement shall be made to the applicable Purchasers pro rata on the basis of their then-applicable Commitments as set forth on Annex I.

Section 2.04 Termination of Commitment.

(a) Unless previously terminated, the Commitment shall terminate on the Maturity Date.

(b) The Commitment of each Purchaser shall terminate on the relevant Closing Date, contemporaneously with the issuance of the Senior Secured Notes and payment of the purchase price thereof, the principal amount of which, together with the principal amount of all Senior Secured Notes issued on any Closing Date prior thereto, equals in the aggregate to the Commitment.

(c) The Company may at any time reduce or terminate the Commitment, in whole or in part, upon written notice to the Administrative Agent. Any termination notice shall specify the amount of the Commitment to be reduced and terminated and the effective date thereof. The amount of the Commitment so reduced or terminated shall apply to all Purchasers on a *pro rata* basis in accordance with each Purchaser's respective share of the Commitment relative to all other Purchasers.

Section 2.05 Repayment of Note. (a) Each Issuer hereby unconditionally promises to pay to the Administrative Agent for the account of the Purchasers, the unpaid principal amount of the Notes issued by it then outstanding on the Maturity Date. (b) Issuers shall pay the Administrative Agent, for the benefit of all Purchasers, its applicable portion of the Prepayment Premium MOIC Amount (if positive) on the Prepayment Premium Payment Date. The Prepayment Premium MOIC Amount shall be fully earned as of the date hereof, shall not be subject to offset and shall not be refundable for any reason whatsoever. (c) For the avoidance of doubt, notwithstanding any other provision of any of the Note Documents, the obligations of the Issuers under the Note Documents are several and not joint, and, without limitation, each Issuer shall only be liable to pay amounts or to perform obligations thereunder relating to the Senior Secured Notes issued by it, without prejudice however to the provisions of Article IX (Guaranty).

Section 2.06 Prepayment or Conversion of the Note.

(a) Optional Prepayments. Each Issuer shall have the right at any time and from time to time, upon at least ten (10) Business Days' prior written notice to the Administrative Agent stating the prepayment date, aggregate principal amount of the prepayment and whether such prepayment is of the French Senior Secured Notes or any other type of Senior Secured Notes (or the composition of either type of Notes), to prepay any Notes issued by it in whole or in part, subject to the requirements of this Section 2.06. Each Issuer shall pay the Administrative Agent, for the benefit of all Purchasers, its applicable portion of the Prepayment Premium MOIC Amount (if positive) on the unpaid principal of the Notes being repaid by such Issuer in cash on the Prepayment Premium Payment Date. Each partial prepayment of any Notes under this Section 2.06(a) shall be in an aggregate principal amount at least equal to $1,000,000 and an integral multiple of $500,000 in excess thereof (or such lesser amount as may be necessary to prepay the aggregate principal amount then outstanding with respect to such Notes). No prepayment under Section 2.06(b) shall constitute a voluntary prepayment under this Section 2.06(a).

(b) Mandatory Prepayments.

(i) At any time on or after the closing of a financing transaction which includes the repayment or refinancing of Indebtedness under the Effective Date Existing Financing, each Purchaser shall have the right, upon prior written notice to the Administrative Agent and the Issuers, stating the prepayment date (which prepayment date shall not be less than three (3) Business Days following the date of such notice), to cause that all or any portion of the aggregate principal amount of the Senior Secured Notes issued to such Purchaser be prepaid, and each Issuer shall prepay the unpaid principal amount of the Notes issued by it then outstanding on the prepayment date so specified.

(ii) Consummation of Qualified IPO. At any time on or after the consummation of a Qualified IPO, each Purchaser shall have the right, upon at least thirty (30) days prior written notice to the Administrative Agent and the Issuers, stating the prepayment date (which prepayment date shall not be less than thirty (30) days following the date of such notice), to cause that all or any portion of the aggregate principal amount of the Senior Secured Notes issued to such Purchaser be prepaid, and each Issuer shall prepay the unpaid principal amount of the Notes issued by it then outstanding on the prepayment date so specified.

(c) Terms of All Prepayments.

(i) All partial prepayments by an Issuer of the respective Notes shall be applied on a *pro rata* basis to the French Senior Secured Notes and to any other type of Senior Secured Notes, as applicable.

(ii) Each prepayment of Notes shall be accompanied by payment of all accrued interest on the amount prepaid, the Prepayment Premium MOIC Amount (if any), Exit Fee and any additional amounts required pursuant to Section 2.10. Notwithstanding the foregoing, it is agreed that in connection with any prepayment of the principal amount of the Notes pursuant to Section 2.06(b)(i), the aggregate amount of interest, Exit Fee and Prepayment Premium MOIC Amount accrued in respect of such Notes shall be paid on the following dates: (A) 33.33% (one third) - on the prepayment date specified in the Purchaser's notice; (B) 33.33% (one third) – within 60 days following the foregoing prepayment date; and (C) 33.33% (one third) – within 120 days following the foregoing prepayment date.

(iii) [Reserved].

(iv) It is understood and agreed that if the Obligations are accelerated or otherwise become due and owing prior to the Maturity Date, in each case, as a result of any Event of Default (including, but not limited to, upon the occurrence of a bankruptcy or insolvency event (including the acceleration of claims by operation of law)), the Prepayment Premium MOIC Amount that would have applied and be payable if, at the time of such acceleration, the relevant Issuer had prepaid, refinanced, substituted or replaced any or all of the Notes as contemplated in Section 2.06(a) (any such event, a "Prepayment Premium Event"), will also be due and payable without any further action (including any notice requirements otherwise applicable to Prepayment Premium Events, if any) as though a Prepayment Premium Event had occurred and such Prepayment Premium MOIC Amount, as applicable, shall constitute part of the Obligations, in view of the impracticability and extreme difficulty of ascertaining actual damages and by mutual agreement of the parties as to a reasonable calculation of each Purchaser's lost profits as a result thereof. Any Prepayment Premium MOIC Amount payable above shall be presumed to be the liquidated damages sustained by each Purchaser as the result of the early termination and Issuer agrees that it is reasonable under the circumstances currently existing. The Prepayment Premium MOIC Amount shall also be payable in the event the Obligations (and/or this Agreement) are satisfied or released by foreclosure (whether by power of judicial proceeding), deed in lieu of foreclosure or by any other means. EACH NOTE PARTY EXPRESSLY WAIVES (TO THE FULLEST EXTENT IT MAY LAWFULLY DO SO) (ON BEHALF OF ITSELF AND THE OTHER NOTE PARTIES) THE PROVISIONS OF ANY STATUTE OR LAW THAT PROHIBITS, OR MAY PROHIBIT, THE COLLECTION OF THE FOREGOING PREPAYMENT PREMIUM MOIC AMOUNT IN CONNECTION WITH ANY SUCH ACCELERATION. Each Note Party expressly agrees (to the fullest extent that each may lawfully do so) that: (A) the Prepayment Premium MOIC Amount is reasonable and is the product of an arm's length transaction between sophisticated business people, ably represented by counsel; (B) the Prepayment Premium MOIC Amount shall be payable notwithstanding the then prevailing market rates at the time payment is made; (C) there has been a course of conduct between Purchasers and the Note Parties giving specific consideration in this transaction for such agreement to pay the Prepayment Premium MOIC Amount; and (D) the parties hereto shall be estopped hereafter from claiming differently than as agreed to in this Section 2.06(c)(iv). Each Note Party expressly acknowledges that its agreement to pay the Prepayment Premium MOIC Amount to Purchasers as herein described is a material inducement to Purchasers to provide the Commitments and purchase the Notes contemplated hereby. Issuers acknowledge, and the parties hereto agree, that each Purchaser has the right to maintain its investment in the Notes free from repayment by any Issuer (except as herein specifically provided for) and that the provision for payment of the Prepayment Premium MOIC Amount by the relevant Issuer, in the event that the Notes are prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

(d) Conversion of the Note.

(i) At any time on or after the consummation of a Qualified IPO, each Purchaser shall have the right, upon at least ten (10) Business Days prior written notice to the Administrative Agent stating the conversion date (which conversion date shall not be more than forty five (45) days following the date of such notice), to cause to be converted all or any portion of the aggregate principal amount of Senior Secured Notes (such portion to be converted, a "Principal Conversion Amount") into Converted Shares, and the principal amount of the Notes so converted shall thereby be deemed to have been repaid in full; provided that the total aggregate of all Principal Conversion Amounts for all conversions pursuant to this Section 2.06(d)(i) shall not exceed $20,000,000, allocated among all Purchasers on a*pro rata* basis in accordance with the aggregate principal amounts of the Senior Secured Notes issued to such Purchaser pursuant hereto relative to all other Purchasers, and the aggregate Principal Conversion Amounts for each conversion pursuant to this Section 2.06(d)(i) shall not be less than $1,000,000 (or lower if such amount is the remainder of either the outstanding principal amount of the Senior Secured Notes or the $20,000,000 conversion amount limit). In the event that any Senior Secured Notes issued by any Issuer other than the Company are elected to be converted into Converted Shares pursuant hereto, then the principal amount of such Notes so converted shall thereby be deemed to have been repaid in full by such Issuer, and shall be either discharged by payment or set-off of a corresponding amount by such Issuer to the Company or recorded as a loan made by the Company to such Issuer). For the avoidance of doubt, any accrued and unpaid interest that has accrued prior to the date of the conversion of any Principal Conversion Amounts pursuant to this Section 2.06(d)(i) shall remain outstanding and payable by the applicable Issuer as contemplated in this Agreement.

Section 2.07 Fees.

(a) Commitment Fee. The Issuers agree to pay to the Administrative Agent, for the account of each Purchaser, a commitment fee, which shall accrue at the rate of 5% (five percent) per annum of the unused amount of the Commitments of such Purchaser during the period from and including the Effective Date to but excluding the date on which the Commitments terminate. Accrued commitment fees shall be payable in arrears on each Quarterly Date and on the date on which the Commitments terminate, commencing on the first such date to occur after the date hereof. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) Exit Fee. The Issuers agree to pay to the Administrative Agent, for the account of each Purchaser, upon repayment or prepayment of the principal amount of any Notes, an exit fee equal to (A) the product of (i) the principal amount of the Notes being repaid or prepaid, multiplied by (ii) 4% (four percent), plus (B) an amount equal to the Interest Rate accruing on the amount calculated under (A) during a period from and including the Closing Date on which such Notes were issued to but excluding the date of repayment or prepayment thereof (the "Exit Fee"). The Exit Fee shall be computed on the basis of a year of 360 days and the actual number of days elapsed (including the first day but excluding the last day).

(c) Agent Fees. The Issuers agree to pay to the Administrative Agent, for its own account and for the account of the Collateral Agent, the Agent Reimbursement Amount. The Agent Reimbursement Amount shall be payable on the first Closing Date.

(d) Payment of Fees. All fees shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, if and as appropriate, among the Agents or Purchasers. All fees payable pursuant to this Section shall be allocated among the Issuers *pro rata* in accordance with the proportionate portion of the Commitment designated for such Issuer as shall be agreed by the Purchasers and the Company, and otherwise shall be borne by the Issuers in equal shares. Once paid, no fee shall be refundable under any circumstances, absent manifest error.

Section 2.08 Interest.

(a) Notes. Each Note shall bear interest on the outstanding and unpaid principal amount thereof, from and including the most recent Quarterly Date on which interest has been paid (or, if no interest has been paid, from the date when issued) at a rate per annum equal to the Interest Rate.

(b) Default Interest. If all or a portion of the principal amount of any Notes, interest in respect thereof or any other amount due under the Note Documents shall not be paid when due (whether at the stated maturity, by acceleration or otherwise) or there shall occur and be continuing any other Event of Default, then, to the extent so elected by the Administrative Agent after the Company has been notified in writing by the Administrative Agent (or automatically upon the occurrence of an Event of Default pursuant to Section 7.01(f) hereof), the outstanding principal amount of the Notes (whether or not overdue) (to the extent legally permitted) shall bear interest at a rate per annum equal to the Post-Default Rate, from the date of such nonpayment or occurrence of such Event of Default, respectively, until such amount is paid in full (after as well as before judgment) or until such Event of Default is no longer continuing, respectively.

(c) Payment of Interest. Accrued interest on each Note shall be payable (a) in arrears on each Quarterly Date commencing March 31, 2024 (or, with respect to any Note issued thereafter, commencing on the first such date occurring after the date of issuance of such Note), and (b) on the Maturity Date (or such other time as such Note becomes due and payable, whether by acceleration or otherwise); *provided* that (i) interest accrued pursuant toSection 2.08(b) shall be payable on demand and (ii) in the event of any repayment or prepayment of any Notes, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment.

(d) Computation. All interest hereunder shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The computation of interest shall be determined by the Administrative Agent and such determination shall be conclusive absent manifest error.

Section 2.09 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement (including any such requirement imposed by the Board under Regulation D or otherwise) against assets of, deposits with or for account of, or credit extended by, any Purchaser;

(ii) subject any Recipient to any Taxes (other than Indemnified Taxes or Excluded Taxes) on its Notes, commitments or other obligations under this Agreement; or

(iii) impose on any Purchaser any other condition (other than Taxes) not otherwise contemplated hereunder affecting this Agreement or the Notes made by such Purchaser;

and the result of any of the foregoing shall be to increase the cost to such Purchaser of making or maintaining any Notes (or of maintaining its obligation to make any such Notes) to the applicable Issuer or to increase the cost to such Purchaser or to reduce the amount of any sum received or receivable by such Purchaser hereunder (whether of principal, interest or otherwise), then such Issuer will pay to such Purchaser such additional amount or amounts as will compensate such Purchaser for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Purchaser reasonably determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Purchaser's capital or on the capital of such Purchaser's holding company, if any, as a consequence of this Agreement or the Notes made by such Purchaser to a level below that which such Purchaser or such Purchaser's holding company could have achieved but for such Change in Law (taking into consideration such Purchaser's policies and the policies of such Purchaser's holding company with respect to capital adequacy), then from time to time the applicable Issuer will pay to such Purchaser such additional amount or amounts as will compensate such Purchaser or such Purchaser's holding company for any such reduction suffered.

(c) Certificates from Purchasers. A certificate of a Purchaser setting forth calculations in reasonable detail of the amount or amounts necessary to compensate such Purchaser or its respective holding company, as the case may be, as specified in Section 2.09(a) or Section 2.09(b) shall be delivered to the Company and shall be conclusive absent manifest error. The applicable Issuer shall pay such Purchaser the amount shown as due on any such certificate within thirty (30) Business Days after receipt thereof.

(d) Delay in Requests. Promptly after any Purchaser has determined that it will make a request for increased compensation pursuant to this Section 2.09, such Purchaser shall notify the Company thereof. Failure or delay on the part of any Purchaser to demand compensation pursuant to this Section shall not constitute a waiver of such Purchaser's right to demand such compensation; *provided* that applicable Issuer shall not be required to compensate a Purchaser pursuant to this Section 2.09 for any increased costs or reductions incurred more than ninety (90) days prior to the date that such Purchaser notifies the Company of the Change in Law giving rise to such increased costs or reductions and of such Purchaser's intention to claim compensation therefor; *provided*, *further*, that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the ninety (90)-day period referred to above shall be extended to include the period of retroactive effect thereof.

Section 2.10 Taxes.

(a) Israeli Value Added Tax. Any and all payments or deemed payments by or on account of any obligation of any Note Party hereunder or under any other Note Document or in connection with the exercise of rights by a Warrant Holder pursuant to the Warrant Agreement which (in whole or in part) constitute the consideration for any supply for Israeli value added tax purposes are deemed to be exclusive of any Israeli value added tax which is chargeable on that supply, and accordingly, if Israeli value added tax is or becomes chargeable on any supply made by any Recipient to any Note Party hereunder or under any other Note Document or in connection with the exercise of rights by a Warrant Holder pursuant to the Warrant Agreement and such Recipient is required to account to the relevant tax authority for the Israeli VAT, that Note Party must pay to such Recipient (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the Israeli value added tax (and such Note Party must promptly provide an appropriate Israeli value added tax invoice to that Recipient).

(b) Payments Free of Taxes. Any and all payments or deemed payments by or on account of any obligation of any Note Party hereunder or under any other Note Document or in connection with the exercise of rights by a Warrant Holder pursuant to the Warrant Agreement shall be made free and clear of and without withholding or deduction for any Taxes except as required by Applicable Law; *provided* that if Applicable Law imposes withholding of any Taxes from such payments, then (i) to the extent such Taxes are Indemnified Taxes, the sum payable by such Note Party shall be increased as necessary so that after making all required withholdings and deductions (including withholdings and deductions applicable to additional sums payable under this Section) the Administrative Agent, the Collateral Agent, the Purchaser or the Warrant Holder (as the case may be) receives an amount equal to the sum it would have received had no such withholdings or deductions been made, (ii) such Note Party shall make or shall cause to be made such withholdings and deductions and (iii) such Note Party shall pay or shall cause to be paid the full amount withheld and deducted to the relevant Governmental Authority in accordance with Applicable Law; provided that nothing in this Section 2.09 shall interfere with the rights of the Purchaser to arrange its affairs (tax or otherwise) in whatever manner it thinks fit, oblige any Purchaser to investigate or claim any credit or refund available to it or the extent, order and manner of any claim or oblige any Purchaser to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of taxes. For the avoidance of doubt, all French withholding Taxes imposed on or with respect to any payment on the French Senior Secured Notes, save for withholding Tax levied on any payment due to a Recipient as a result of such Recipient (x) being incorporated, organized, engaged in business through a branch, agency, or permanent establishment or resident for tax purposes in, or (y) requesting to be paid on a bank account located, or opened, or organized under the laws of, any non-cooperative states and territories (*Etats et territoires non coopératifs*) within the meaning of Article 238-0 A of the French Code*général des impôts* other than those states and territories mentioned in 2° of 2 bis of Article 238-0 A of the French Code *général des impôts*, shall be Indemnified Taxes.

(c) Payment of Other Taxes by Note Parties. The Note Parties shall timely pay or cause to be paid to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Agents timely reimburse it for the payment of, any Other Taxes.

(d) Indemnification by Note Parties. Note Parties shall jointly and severally indemnify or cause to be indemnified each Recipient, within ten (10) days after written demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section but without duplication of any amounts indemnified under Section 2.10(a)) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Company by the Collateral Agent or a Purchaser (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of the Collateral Agent or a Purchaser, shall be conclusive absent manifest error.

(e) Indemnification by the Purchasers. Each Purchaser shall severally indemnify the Agent, within ten (10) days after demand therefor, for any Indemnified Taxes attributable to such Purchaser (but only to the extent that Note Parties have not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of any Note Party to do so). A certificate as to the amount of such payment or liability delivered to any Purchaser by the Administrative Agent shall be conclusive absent manifest error. Each Purchaser hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Purchaser under any Note Document or otherwise payable by the Administrative Agent to the Purchaser from any other source against any amount due to the Administrative Agent under this paragraph (d).

(f) Evidence of Payments. As soon as practicable after any payment of Taxes by any Note Party to a Governmental Authority pursuant to this Section, the relevant Note Party shall deliver or cause to be delivered to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment satisfactory to the Administrative Agent, acting reasonably.

(g) At the request of the Administrative Agent, the Company shall procure (at the Company's expense) that:

(i) The Company, in consultation with an internationally recognized accounting firm with expertise in U.S. tax matters ("External Accountants"), will (i) determine each year whether or not the Company is likely to become a passive foreign investment company within the meaning of Section 1297 of the Code (a "PFIC"), and notify each Purchaser of its determination within 45 days of the end of each taxable year, (ii) make available to any Purchaser upon request, all information that the Company (or its External Accountants) used to determine whether or not it is or is not likely to be a PFIC, (iii) upon a determination by the Company (in consultation with its External Accountants) that it is, may be, or is likely to become a PFIC for any taxable year, timely provide to any requesting Purchaser, the "PFIC Annual Information Statement" within the meaning of U.S. Treasury Regulation Section 1.1295-1(g) for such year and other information to permit such Purchaser to (x) accurately prepare all tax returns and comply with any reporting requirements resulting from such determination and (y) make any election (including a "qualified electing fund" election under Section 1295 of the Code) with respect to each applicable Gauzy Company and to comply with any associated reporting or other requirements incidental to such election;

(ii) The Company will provide, from time to time upon the request of any Purchaser, information that is reasonably available to the Company so that Purchasers may determine the amount of current and accumulated earnings and profits of the Company computed under the U.S. tax principles; and

(iii) The Company will, upon request from any Purchaser who may be (or may have any direct or indirect owner who may be) a "United States shareholder" within the meaning of Section 951(b) of the Code, provide such Purchaser with any information (i) that may be relevant in determining whether any Gauzy Company is a controlled foreign corporation within the meaning of Section 957 of the Code (a "CFC") and (ii) that may be needed by such Purchaser (or its applicable direct or indirect owner) to determine any "subpart F income" or "global intangible low-taxed income" of any such Gauzy Companies or to prepare tax returns and comply with any reporting requirements.

(h) Survival. Each party's obligations under this Section 2.10 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Purchaser, the termination of the Notes and the repayment, satisfaction or discharge of all obligations under any Transaction Documents.

Section 2.11 Payments Generally; Pro Rata Treatment; Sharing of Setoffs.

(a) Payments by Issuers. Unless otherwise specified, each Issuer shall make each payment required to be made by it hereunder (whether of principal, interest, fees, or under Section 2.09 or Section 2.10, or otherwise) or under any other Note Document (except to the extent otherwise provided therein) prior to close of business, New York City time, on the date when due, in immediately available funds, without setoff or counterclaim. Any amounts received after such time on any date shall be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. The Administrative Agent will provide the Issuer in writing with the details of the account to which payments are to be made by Issuer for the benefit of Agent and Purchaser,

and in each case, except as otherwise expressly provided in the relevant Note Document and payments pursuant to Section 2.10, Section 2.11 and Section 10.03, which shall be made directly to the Persons entitled thereto, in each case subject to the terms of this Agreement. The Administrative Agent shall distribute any such payments received by it in like funds as received for account of any other Person to the appropriate recipient promptly (and in any case not more than one (1) Business Day) following receipt thereof. Payments to each Purchaser shall be made to such Purchaser in accordance with its Administrative Questionnaire. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the immediately following Business Day and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All amounts owing under this Agreement or under any other Note Document are payable in Dollars.

(b) Application of Insufficient Payments. If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest, fees and other amounts then due hereunder, such funds shall be applied (i) first, to pay interest, fees, Prepayment Premium MOIC Amount and other amounts (except for the amounts required to be paid pursuant to the following clause (ii)) then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest, fees and such other amounts then due to such parties, and (ii) second, to pay principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) Pro Rata Treatment. Except to the extent otherwise provided herein: (i) the issuance of the Notes shall be made to the Purchasers, and each termination or reduction of the amount of the Commitments shall be applied to the respective Commitments of the Purchasers, *pro rata* according to the amounts of their respective applicable Commitments; (ii) except as provided in Section 2.06(c), each payment or prepayment of principal of the Notes by Issuer shall be made for account of the Purchasers *pro rata* in accordance with the respective unpaid principal amounts of the Notes held by them being paid or prepaid; and (iii) each payment of interest on the Notes by the applicable Issuer shall be made for account of the Purchasers (except, in the case of prepayments under Section 2.06(b), for Purchasers not receiving a principal repayment thereunder) *pro rata* in accordance with the amounts of interest on the Notes then due and payable to the respective Purchasers.

(d) Sharing of Payments by Purchasers. If any Purchaser shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment or recover any amount in respect of any principal of or interest on any of its Note resulting in such Purchaser receiving a greater proportion of the aggregate amount of the Notes and accrued interest thereon then due than the proportion received by any other Purchaser, then, unless otherwise agreed in writing by the Purchasers, the Purchaser receiving such greater proportion shall purchase (for cash at face value) participations in the Notes of other Purchasers to the extent necessary so that the benefit of all such payments shall be shared by the Purchasers ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Note; *provided* that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this Section 2.11(d) shall not be construed to apply to any payment made by the applicable Issuer pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Purchaser as consideration for the assignment of or sale of a participation in any of its Notes to any assignee or Participant, other than to the Company or any Affiliate thereof (as to which the provisions of this Section 2.11(d) shall apply), provided further that no Purchaser shall be required to purchase a participation from a Purchaser rejecting its option to receive prepayments under Section 2.06(b) to the extent disproportionality results from the rejecting Purchaser's election under Section 2.06(b). Each Note Party consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Law, that any Purchaser acquiring a participation pursuant to the foregoing arrangements may exercise against such Note Party rights of setoff and counterclaim with respect to, and to the extent of, such participation as fully as if such Purchaser were a direct creditor of such Note Party in the amount of such participation.

(e) Presumptions of Payment. Unless the Administrative Agent shall have received notice from the applicable Issuer prior to the date on which any payment is due to the Administrative Agent for account of the Purchasers hereunder that the applicable Issuer will not make such payment, the Administrative Agent may assume that the applicable Issuer has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Purchasers the amount due to them. In such event, if the applicable Issuer has not in fact made such payment within one (1) Business Day after such due date, then each of the Purchasers severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Purchaser with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(f) Certain Deductions by the Administrative Agent. If any Purchaser shall fail to make any payment required to be made by it pursuant to Section 2.03, Section 2.11(e) or Section 10.03(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for account of such Purchaser to satisfy such Purchaser's obligations under such Sections until all such unsatisfied obligations are fully paid.

Section 2.12 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Note Document or in any other

agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Note Document, may be subject to Bail-In Action by the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) any Bail-In Action in relation to any such liability, including (without limitation):

(i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership that may be issued to it or otherwise conferred on it; and

(iii) a cancellation of such liability; and

(b) a variation of the terms of any Note Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

Section 2.13 Private Placement – No Public Offering of Notes.

(a) The issue of the Notes under this Agreement will be made by private placement and not in the context of an "*offre au public*" (public offering) of financial instruments in France within the meaning of article L. 411-1 of the French Monetary Code. The Notes will only be offered to investors who acquire Notes for a consideration principal amount of at least €100,000 per investor (or its equivalent in Dollars), as provided in clause 1(4)(d) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "Prospectus Regulation") and article L. 213-6-3 of the French Monetary and Financial Code. No Purchaser may transfer or acquire Notes unless as a result of such transfer or acquisition, both the transferring Purchaser (unless the number of Notes held by such transferring Purchaser after such transfer or acquisition is reduced to zero) and the acquiring Purchaser holds an aggregate principal amount of at least €100,000 (or its equivalent in Dollars) of Notes. Therefore no prospectus has been nor shall be submitted for approval (*visa*) by the French *Autorité des marchés financiers* (AMF).

(b) Consequently, neither this Agreement nor any other document or offering material relating to the Notes has been distributed nor will be distributed to the public in France and any such distributions, offers or sales of Notes have been and will be made in France only to permitted investors consisting of:

(i) providers of the investment service of portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour le compte de tiers*); and/or

(ii) qualified investors (*investisseurs qualifiés*) or a restricted circle of investors (cercle restreint d'investisseurs), acting for their own account, all as defined in, and in accordance with, articles L. 411-2, D. 411-1, D. 411-2, D. 411-4, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the French Monetary and Financial Code; and/or

(iii) investors who acquire Notes for a total consideration of at least €100,000 (or its equivalent in Dollars) per investor and per offering.

(c) The direct or indirect re-sale to the public in France of the Notes acquired by any such permitted investors shall be made only as provided by and in accordance with articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French Monetary and Financial Code.

(d) More generally, this Agreement does not constitute an offer or an invitation to subscribe for or purchase any of the Notes in any jurisdiction and may not be used for or in connection with an offer to, or solicitation by, any person in any jurisdiction or in any circumstance in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

(e) No Issuer nor any Purchaser shall enter into any course of action (in particular involving the transfer of Notes) which would entail or constitute an "*offre au public*" (public offering).

Section 2.14 Additional Issuers.

(a) Subject to compliance with any applicable "know your customer" and anti-money laundering rules and regulations reasonably requested by any Purchaser, the Company may request that the Company or any other Note Party that is not an Issuer and that is approved by the Administrative Agent (on the instructions of the Required Purchasers) become an Issuer, subject to:

(i) delivery of an Officer's Certificate of the proposed additional Issuer, certifying:

(A) attached to such certificate is a correct and complete copy of resolutions duly adopted by the board of directors, member(s), partner(s) or other authorized governing body of such Person (as applicable) authorizing such Person to become an additional Issuer pursuant to the Agreement, and that such resolutions or other evidence of authority have not been modified, rescinded or amended and are in full force and effect;

(B) that the certificate of incorporation, certificate of formation, charter or other Organizational Documents (as the case may be) referred to in Section 4.01(ii)(A) below for such Person has not been amended since the date of the certification furnished pursuant to Section 4.01(ii) below; and

(ii) No Default or Event of Default shall have occurred and be then continuing.

(b) The Administrative Agent shall notify the Company and the Purchasers promptly upon being satisfied that the conditions specified in clause (a) above are satisfied (or waived by the Administrative Agent and the Purchasers in their sole discretion in accordance with Section 10.02), and the designation of the additional Issuer shall thereupon be effective.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE NOTE PARTIES

On the Effective Date and on any other date that the representations herein are required to be made pursuant to the Note Documents, each Note Party represents and warrants to each Agent and the Purchasers that, as of such date:

Section 3.01 Due Organization, Etc. The Company is an Israeli limited liability company, the French Issuer is a French limited liability company, and each other Gauzy Company is a limited liability company or corporation, as applicable, in each case duly organized, validly existing and in good standing, as applicable, under the laws of the jurisdiction of its organization. Each Gauzy Company has all requisite limited liability company, limited partnership, corporate or other organizational power and authority to own or lease and operate its assets and to carry on its business as now conducted and as proposed to be conducted and each Gauzy Company is duly qualified to do business and is in good standing, as applicable, in each jurisdiction where necessary in light of its business as now conducted and as proposed to be conducted, except where the failure to so qualify could not reasonably be expected to have a Material Adverse Effect. No filing, recording, publishing or other act by a Gauzy Company that has not been made or done is necessary in connection with the existence or good standing of such Gauzy Company. The Company is not a "company in breach" ("*hevrah meferah*"), as such term is defined in the Israeli Companies Law and neither has it received a notice that it is expected to be registered as such.

Section 3.02 Authorization, Etc. Each Gauzy Company has full corporate, limited liability company, limited partnership or other organizational powers, authority and legal right to enter into, deliver and perform its respective obligations under each of the Transaction Documents to which it is a party and to consummate each of the transactions contemplated herein and therein, and has taken all necessary corporate, limited liability company, limited partnership or other organizational action to authorize the execution, delivery and performance by it of each of the Transaction Documents to which it is a party. Each of the Transaction Documents to which any Gauzy Company is a party has been duly executed and delivered by such Note Party and is in full force and effect and constitutes a legal, valid and binding obligation of such Gauzy Company, enforceable against such Gauzy Company in accordance with its respective terms, except as enforcement may be limited (i) by Bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws affecting creditors' rights generally, (ii) by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (iii) by implied covenants of good faith and fair dealing.

Section 3.03 No Conflict. The execution, delivery and performance by each Gauzy Company of each of the Transaction Documents to which it is a party and all other documents and instruments to be executed and delivered hereunder by it, as well as the consummation of the transactions contemplated herein and therein, do not and will not (i) conflict with the Organizational Documents of such Gauzy Company, (ii) conflict with or result in a breach of, or constitute a default under, any indenture, Note agreement, mortgage, deed of trust or other instrument or agreement to which such Gauzy Company is a party or by which it is bound or to which such Gauzy Company's property or assets are subject, except where such contravention, breach or default could not reasonably be expected to be material and adverse to the Gauzy Companies or Purchasers, (iii) conflict with or result in a breach of, or constitute a default under, in any material respect, any Applicable Law, except where such contravention or breach could not reasonably be expected to have a Material Adverse Effect, or (iv) with respect to each Gauzy Company, result in the creation or imposition of any Lien (other than a Permitted Lien) upon any of such Gauzy Company's property or the Collateral.

Section 3.04 Approvals, Etc.

(a) All material Authorizations that are necessary in connection with the development, construction, operation, and ownership of the Business and assets of the Gauzy Companies have been issued to, assigned to, or otherwise assumed or made by the applicable Gauzy Company, are in full force and effect and are not subject to any current, pending or, to any Gauzy Companies' Knowledge threatened legal proceeding (including administrative or judicial appeal, permit renewals or modification) or to any unsatisfied condition (required to be satisfied as of date this representation and warranty is made) that, in the case of unsatisfied conditions, would reasonably be expected to have a Material Adverse Effect; and

(b) Each Gauzy Company is in compliance with all such material Authorizations described in clause (a) above, except to the extent that non-compliance could not reasonably be expected to cause a loss of such Authorization or otherwise could not reasonably be expected to have a Material Adverse Effect.

Section 3.05 Financial Statements; No Material Adverse Effect.

(a) The Company has heretofore furnished to the Administrative Agent the financial statements specified in Section 4.01(d). The financial statements furnished to the Purchasers pursuant to Section 4.01(d) present fairly in all material respects the financial condition, results of operations and cash flows of the Gauzy Companies on a consolidated basis of such dates and for such periods. Such balance sheets and the notes thereto disclose all material liabilities (contingent or otherwise) of the Gauzy Companies as of the dates thereof to the extent required by GAAP. Such financial statements were prepared in accordance with GAAP.

(b) Since December 31, 2022, there has been no event or occurrence which has resulted in a Material Adverse Effect and is continuing or could reasonably be expected to result in, individually or in the aggregate, any Material Adverse Effect.

Section 3.06 Litigation. There is no pending or threatened (in writing) litigation, investigation, action or proceeding of or before any court, arbitrator or Governmental Authority (i) seeking to restrain or prohibit the consummation of the transactions contemplated by the Transaction Documents, (ii) purporting to affect the legality, validity or enforceability of any of the Transaction Documents or (iii) that affects the Business or leased premises relating thereto, in the case of this clause (iii), as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

Section 3.07 Authorizations; Environmental Matters. Except with respect to any matters specified in sub-section (a)-(c) that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect:

(a) each Gauzy Company is in compliance in all material respects with all applicable Environmental Laws;

(b) each Gauzy Company, as applicable, (i) holds or has applied for all material Authorizations required under Environmental Laws (each of which is in full force and effect) required for any of its current operations or for any property owned, leased or otherwise operated by it; and (ii) is and has been in compliance in all material respects with all Authorizations required under Applicable Laws;

(c) there are no pending or to the Knowledge of each Gauzy Company threatened (in writing) material Environmental Claims asserted against any Gauzy Company, or any consent decrees, orders, settlements or other agreements relating to compliance with or liability under Environmental Laws;

(d) there has been no material Release or threat of material Release of Hazardous Materials at, on, from or under the leased premises of any Gauzy Company or any other real property currently or formerly owned, leased or operated by any Gauzy Company, except in each case in compliance with Environmental Laws, and except as would not be reasonably expected to have a Material Adverse Effect;

(e) to the Knowledge of each Gauzy Company, there are no outstanding or pending material environmental investigations, studies, audits, reviews or other analyses conducted by any Gauzy Company which disclose any potential basis for Environmental Claims; and

Section 3.08 Compliance with Laws and Obligations. Subject to Section 3.07, each Gauzy Company is in compliance in all material respects with all Applicable Laws, except, where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

Section 3.09 No Instalment Arrangements. Except as set forth inScheduleSection 3.09, the Company is not a party to an instalment arrangement ("*hesder prisa*") with the Israeli Tax Authority, the National Insurance Institute of Israel ("*Bituach Leumi*") or any municipal authority in Israel, according to which obligatory payments of the Company to such entities will be rescheduled, deferred or otherwise paid in instalments, which in each case are classified as "Preferred Debts" ("*hovot be-din kdima*") under Section 234(a)(5) of the Israeli Insolvency Law.

Section 3.10 Licenses. Each Gauzy Company owns, or is licensed to use, all patents, trademarks, permits, proprietary information and knowledge, technology, copyrights, licenses, franchises and formulas, or rights with respect thereto and all other Intellectual Property, necessary for its Business and that are material to the performance by it of its obligations under the Transaction Documents to which it is a party, in each case, as to which the failure of such Gauzy Company to so own or be licensed could reasonably be expected to have a Material Adverse Effect, and the use thereof by such Gauzy Company does not infringe in any respect upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

Section 3.11 Taxes.

(a) Each Gauzy Company has timely filed or caused to be timely filed all Tax returns and reports required to have been filed by it and each such Tax return is complete and accurate in all material respects;

(b) Each Gauzy Company has paid or has caused to be paid all national, regional, local and other Taxes (including any assessment, fines or penalties) that are due and required to have been paid by it (whether or not shown as due on any Tax returns), other than Taxes that are being contested in accordance with the Permitted Contest Condition and there is no tax deficiency that has been asserted against the Company, the Issuers or any of their subsidiaries or any of their respective properties or assets, except where the assertion of such deficiency would not, individually or in the aggregate, result in a Material Adverse Effect.

(c) The Company does not expect to be a PFIC for the current taxable year or in the foreseeable future. The Company is not and does not expect to be a CFC while any Note is outstanding.

(d) All payments to be made by or on behalf of the French Issuer under this Agreement, all interest, principal, premium, if any, additional amounts, if any, and other payments to be made by or on behalf of the French Issuer under or with respect to the Notes will not, under current law and regulation, be subject to withholding or deduction for, or on account of, any tax, duty, levy, impost, assessment or other governmental charge (including penalties and interest related thereto) imposed or levied by or on behalf of any jurisdiction in which the French Issuer is incorporated, organized, engaged in business through a branch, agency, or permanent establishment or resident for tax purposes, or any political subdivision or any authority or agency thereof or therein having power to tax, or any jurisdiction by or through which such payment is made by or on behalf of the French Issuer, or any political subdivision or any authority or agency thereof or therein having power to tax (each a "Relevant Tax Jurisdiction"); provided that such payments are made to Purchasers who (i) are not individuals having their residence for tax purposes (or having a permanent establishment or fixed based to which the receipt of such payment or the holding of the Notes is attributable) in the Relevant Tax Jurisdiction, (ii) are not shareholders of the French Issuer (iii) are not related parties of the French Issuer within the meaning of Article 39.12 of the French Code *général des impôts*, and (iv) (x) are not incorporated, organized, engaged in business through a branch, agency, or permanent establishment or resident for tax purposes in, or (y) do not request to be paid on a bank account located, or opened, or organized under the laws of, any non-cooperative states and territories (*Etats et territoires non coopératifs*) within the meaning of Article 238-0 A of the French Code *général des impôts* other than those states and territories mentioned in 2° of 2 bis of Article 238-0 A of the French Code*général des impôts*.

(e) No stamp, issuance, registration, transfer, documentary or other similar taxes or duties or whatever nature (including penalties, interest or any other reasonable expenses related thereto) are payable by or on behalf of the Purchaser in any Relevant Tax Jurisdiction in connection with (i) the creation, issue or delivery by the French Issuer, (ii) the purchase by the Purchasers of the Notes in the manner contemplated by this Agreement or (iii) the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated in this Agreement and the other Transaction Documents, provided that no deed evidencing any of these transactions is voluntarily registered with the French tax authorities.

Section 3.12 Full Disclosure; Projections.

(a) None of the written reports, financial statements, certificates or other written information (other than Projections and information of a general economic or industry nature) furnished by or on behalf of any Gauzy Company to the Administrative Agent or any Purchaser in connection with the negotiation and execution of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished), taken as a whole, contains any material misstatement of fact or omits to state any material fact necessary to make such statements therein, in the light of the circumstances under which they were made, not materially misleading.

(b) Each Note Party's sole representation with respect to information consisting of statements, estimates, forecasts and projections regarding the Gauzy Companies and the future performance of the Business or other expressions of view as to future circumstances (including the Financial Projections, the Operating Budget, estimates, budgets, forecasts, financial information and "forward-looking statements" that have been made available to any Secured Party by or on behalf of any Gauzy Company or any of its representatives or Affiliates (collectively, "Projections")), shall be that such Projections have been prepared in good faith based upon assumptions believed to be reasonable at the time of preparation thereof; *provided* that it is understood and acknowledged that such Projections are based upon a number of estimates and assumptions and are subject, among other things, to business, economic and competitive uncertainties and contingencies, that actual results during the period or periods covered by any such Projections may differ from the projected results and such differences may be material and that, accordingly, no assurances are given and no representations, warranties or covenants are made that any of the assumptions are correct, that such Projections will be achieved or that the forward-looking statements expressed in such Projections will correspond to actual results.

Section 3.13 Senior Obligations. Each Note Party's obligations under the Note Documents are the direct and unconditional general obligations of such Note Party and, on and after the Effective Date, rank senior in priority of payment and in all other respects with all other present or future unsecured and secured Indebtedness of such Note Party (other than the Indebtedness under the Effective Date Existing Financing (in accordance with its terms), and subject to Permitted Liens, and Indebtedness preferred by laws of general application).

Section 3.14 Solvency. Immediately after giving effect to the transactions to occur on the Effective Date, the Gauzy Companies, on a consolidated basis, will be Solvent, and the French Issuer will be Solvent.

Section 3.15 Regulatory Restrictions on the Note. No Note Party is, and after giving effect to the sale of the Notes and application or proceeds thereof none of them will be an "investment company" or an entity "controlled" by an "investment company" as defined in the Investment Company Act of 1940 of the United States (including the rules and regulations thereunder), as amended.

Section 3.16 Title; Security Documents.

(a) Each Note Party owns and has good and valid title to, or valid leasehold, easement or other interests in, its Real Property, in each case free and clear of all Liens other than Permitted Liens. Other than with respect to the Real Property, each Note Party owns all material properties and assets in each case purported to be covered by the Security Documents to which it is party free and clear of all Liens other than Permitted Liens.

(b) No Note Party has received any written notice of, nor has any knowledge of, any pending or contemplated Condemnation proceeding affecting any material portion of the Real Property or any sale or disposition of any material portion thereof in lieu of Condemnation.

(c) No Note Party is obligated under any written right of first refusal, option or other contractual right to sell, assign or otherwise dispose of any material portion of any Real Property or any interest therein.

(d) The provisions of the Security Documents to which any Note Party is a party that have been delivered on or prior to the date this representation is made are effective to create, in favor of the Collateral Agent for the benefit of the Secured Parties, a legal, valid and enforceable second-priority Lien on and security interest (junior and subordinated to the security granted under the Effective Date Existing Financing) in all of the Collateral purported to be covered thereby, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law, and when all necessary recordings and filings have been (or, in the case of such other Security Documents, will be) made in all necessary public offices, and all other necessary and appropriate action has been (or, in the case of such other Security Documents, will be) taken, so that the security interest created by each Security Document is a second-priority perfected Lien on and security interest (junior and subordinated to the security granted under the Effective Date Existing Financing) in all right, title and interest of such Note Party in the Collateral purported to be covered thereby, prior and superior to all other Liens other than Permitted Liens and the security granted under the Effective Date Existing Financing.

Section 3.17 ERISA.

(a) No material ERISA Event has occurred or is reasonably expected to occur. Each Pension Plan has complied in all material respects with the applicable provisions of ERISA and the Code. No termination of a Pension Plan has occurred resulting in any liability that has remained underfunded and no Lien against any Gauzy Company or any of its ERISA Affiliates in favor of the PBGC or a Pension Plan has arisen during the five-year period prior to the date hereof. None of the Gauzy Companies or any of their ERISA Affiliates has incurred any material liability on account of a complete or partial withdrawal from a Multiemployer Plan.

(b) None of the Gauzy Companies has incurred any material obligation on account of the termination or withdrawal from any Foreign Plan.

Section 3.18 Insurance. Each of the Gauzy Companies has adequate insurance coverage for their activity, assets and business, from certified and reputable insurers, with coverage and insurance conditions that are no less than customary with other enterprises in their areas of activity. No Gauzy Company has received any notice from any insurer that any insurance policy has ceased to be in full force and effect or claiming that the insurer's liability under any such insurance policy can be reduced or avoided.

Section 3.19 Use of Proceeds. The proceeds the Notes have been used solely in accordance with, and solely for the purposes contemplated by Section 5.13. No part of the proceeds of any Notes and other extensions of credit hereunder will be used, either directly or indirectly, by any Note Party to purchase or carry any Margin Stock (as defined in Regulation U) or to extend credit to others for the purpose of purchasing or carrying any Margin Stock or for any purpose that entails a violation of any of the regulations of the Board.

Section 3.20 Capital Stock and Related Matters.

(a) Schedule 3.20(a) sets forth, as of the Effective Date, a true and complete list of the Gauzy Companies and, with respect to each Note Party, (i) its name and jurisdiction of organization, (ii) its form of organization, and (iii) all of the issued and outstanding Capital Stock thereof and the legal and beneficial owner of such Capital Stock. Other than set forth on Schedule 3.20(a), as of the Effective Date, no Gauzy Company owns directly or indirectly, or Controls any Capital Stock in any Person.

(b) All of the Capital Stock of each Gauzy Company have been duly authorized and validly issued in accordance with its Organizational Documents, are fully paid and non-assessable and free and clear of all Liens other than Permitted Liens, and were not issued in violation of any preemptive rights, rights of first refusal or offer, or any other agreement, commitment, understanding or arrangement to which any such Gauzy Company is a party. Other than as set forth on Schedule 3.20(b), no Gauzy Company has outstanding Capital Rights, or any agreement, commitment, understanding or arrangement (contingent or otherwise) obligating such Gauzy Company to issue, sell, transfer or otherwise dispose of, repurchase, redeem or otherwise acquire any Capital Stock of any Gauzy Company, or issue or grant any Capital Right (except as expressly provided for or permitted herein or in the Security Documents).

(c) There are no agreements, commitments, understandings or arrangements (other than the Note Documents and the Company's Organizational Documents) to which the Company is a party with respect to the voting of any Capital Stock of the Company (including any voting trust, voting agreement or proxy).

Section 3.21 Permitted Indebtedness; Investments.

(a) No Gauzy Company has created, incurred, assumed or suffered to exist any Indebtedness, other than Permitted Indebtedness.

(b) As of the Effective Date, all Indebtedness of the Gauzy Companies existing on the Effective Date is listed on Schedule 3.21(b).

Section 3.22 [Reserved].

Section 3.23 Bank Accounts. Each of the accounts of each Gauzy Company are listed on Schedule 3.23 as of the Effective Date.

Section 3.24 No Default or Event of Default. No Default or Event of Default has occurred and is continuing.

Section 3.25 Foreign Assets Control Regulations.

(a) None of the Gauzy Companies, and none of their respective Affiliates, officers or directors, or, to any of the Note Parties' knowledge, their respective employees or agents (i) is a Sanctioned Person; or (ii) presently engages in, or has engaged in the past five (5) years, any direct or indirect dealings or transactions in or with a Sanctioned Country, with or involving a Sanctioned Person, or that are otherwise prohibited by Sanctions.

(b) Each of the Gauzy Companies has implemented and currently maintains policies and procedures, including appropriate controls designed to ensure compliance by the Gauzy Companies and its subsidiaries, and its and their directors, officers, employees, and authorized agents with Sanctions, Anti-Corruption Laws, and Anti-Money Laundering Laws.

(c) Each of the Gauzy Companies and their respective officers, directors, employees and, to the Note Parties' knowledge, agents are in compliance with Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.

(d) The Gauzy Companies will not directly or indirectly use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of funding, financing or facilitating any activities, business or transaction in or with any Sanctioned Country, any person that is, at the time of such funding, financing or facilitating, a Sanctioned Person, or in any other manner that would result in a violation by any person (including any person participating in the transaction whether as underwriter, advisor, investor or otherwise) of Sanctions.

(e) No part of the proceeds of the Notes will be used, directly or indirectly (i) in violation of the FCPA, Anti-Money Laundering Laws or (ii) to offer or make payments or to take any other action that would constitute a violation, or implicate any Purchaser, Administrative Agent, Collateral Agent or their respective Affiliates in a violation, of Anti-Corruption Laws.

(f) Each of the Note Parties has disclosed all facts known to it regarding (a) all claims, damages, liabilities, obligations, losses, penalties, actions, judgment, and/or allegations of any kind or nature that are asserted against, paid or payable by such Person, any of its Affiliates or, to any of the Note Parties' knowledge, any of its representatives in connection with non-compliance with Anti-Corruption Laws, Sanctions or Anti-Money Laundering Laws by such Person or any Gauzy Company, and (b) any investigations involving possible non-compliance with Anti-Corruption Laws, Sanctions or Anti-Money Laundering Laws by such Person, such Affiliate or, to any of the Note Parties' knowledge, such representative. No proceeding by or before any Governmental Authority involving any Gauzy Company with respect to Anti-Corruption Laws, Sanctions or Anti-Money Laundering Laws is pending or, to the knowledge of the Note Parties, threatened.

(g) The representations and warranties set forth in this Section 3.25 made by or on behalf of any German Guarantor shall only apply to any German Guarantor or for the benefit of any Secured Party to the extent that the giving or receiving of, or compliance with, the relevant representation and warranty does not result in a violation of or conflict with, or expose any German Guarantor, any Secured Party or any Affiliate, director, officer or employee of any of the foregoing to any liability under, any antiboycott or blocking law, regulation or statue that is in force from time to time and applicable thereto (including the Council Regulation (EC) No 2271/96 and/or section 7 of the German Foreign Trade Regulation (*Außenwirtschaftsverordnung*)).

Section 3.26 Centre of Main Interests. For the purposes of Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) (the "Regulation"), so far as it is aware, the centre of main interests of each Note Party incorporated or organized under the laws of a country that is a member of the European Union is situated in its jurisdiction of incorporation and it has no establishment (as that term is used in article 2, point (10) of the Regulation) in any jurisdiction other than its jurisdiction

of incorporation.

Section 3.27 Private Offering of Notes. Neither any Note Party nor any agent acting on their behalf has taken or will take any action which would subject the issuance or sale of the Notes (or any guarantee thereof) to registration under the provisions of Section 5 of the Securities Act or to the provisions of any securities or "blue sky" law of any applicable jurisdiction. Without limiting the foregoing, assuming the accuracy of the Purchasers' representations and warranties in Article IV-A of this Agreement, the issuance of the Notes pursuant to this Agreement is exempt from the registration and prospectus delivery requirements of the Securities Act. In the case of each offer or sale of the Notes, no form of general solicitation or general advertising (as those terms are used in Regulation D promulgated under the Securities Act) was used by any Note Party nor any agent acting on its behalf, including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine or similar medium or broadcast over television or radio, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising. No securities similar to the Notes have been issued and sold by the Note Parties within the six-month period immediately prior to the date hereof. The offer and sale of the Notes on the Effective Date and any date thereafter occurred pursuant to private negotiations only between the Issuers and the Purchasers hereunder.

Section 3.28 Rule 144A. The Notes are not of the same class as securities of the Note Parties listed on a national securities exchange, registered under Section 6 of the Exchange Act or quoted in a U.S. automated inter-dealer quotation system.

Section 3.29 Grants; Funding. As of the date hereof, the Company has not received grants or funding from any Governmental Authority (including the IIA), except as such grants under the Israeli R&D Law as set forth on Schedule 3.29.

ARTICLE IV

CONDITIONS

Section 4.01 Conditions to the Effective Date. The obligations of each Purchaser to make available its respective Commitment and the obligations of each Purchaser to purchase from the Issuers the Notes to be purchased by each of them hereunder shall not become effective until the receipt by the Administrative Agent (except as set forth otherwise below) of each of the following documents, and the satisfaction of the conditions precedent set forth below, each of which must be satisfied to the reasonable satisfaction of the Administrative Agent (unless waived by the Administrative Agent):

(a) Execution of Note Documents. The Note Documents contemplated to be entered into as of the Effective Date shall have been duly executed and delivered by the Persons intended to be parties thereto and shall be in full force and effect.

(b) Corporate Documents. The following documents, each certified as of the Effective Date as indicated below:

(i) copies of the Organizational Documents, together with any amendments thereto, of each Note Party and a certificate of good standing or its equivalent (if any) for the applicable jurisdiction for each such party (in each case such good standing certificate or its equivalent dated no more than twenty (20) Business Days prior to the Effective Date) (provided that in the case of the French Issuer this shall consist in (x) a copy of its *statuts* and (y) a company search (*extrait K-Bis*) and a non-bankruptcy certificate (*certificat de non-faillite*), each dated not earlier than 20 Business Days prior to the Effective Date);

(ii) an Officer's Certificate of each Note Party dated as of the Effective Date, certifying:

(A) that attached to such certificate is a correct and complete copy of the Organizational Documents referred to in clause (i) above for such Person;

(B) attached to such certificate is a correct and complete copy of resolutions duly adopted by the board of directors, member(s), partner(s) or other authorized governing body of such Person with respect to (as applicable) the entering into, delivery and performance of the Note Documents to which such Note Party is a party, and that such resolutions or other evidence of authority have not been modified, rescinded or amended and are in full force and effect;

(C) that the certificate of incorporation, certificate of formation, charter or other Organizational Documents (as the case may be) referred to in clause (A) above for such Person has not been amended since the date of the certification furnished pursuant to clause (ii) above;

(D) as to the incumbency and specimen signature of each officer, member or partner (as applicable) of such Person executing the Note Documents to which such Person is or is intended to be a party (and each Purchaser may conclusively rely on such certificate until it receives notice in writing from such Person); and

(E) in respect of the Company, that attached to such certificate is a copy of an excerpt from a search against the Company at the Israeli Companies Registry evidencing that there are no outstanding Liens over its assets, save as permitted under this Agreement, and evidencing that the Company is not considered a "company in violation" ("*hevrah meferah*") as defined in Section 362A of the Israeli Companies Law.

(c) Authorizations. All Authorizations for the execution, delivery and performance of any material obligation under the Transaction Documents (i) have been duly obtained and validly issued, (ii) are in full force and effect and not subject to any pending or threatened, appeal, (iii) are issued to, assigned to, or otherwise assumed by, a Gauzy Company (or such Gauzy Company is entitled to the benefit thereof), (iv) are not subject to any current legal proceeding to which any Gauzy Company is a party, (v) are free from any unsatisfied condition and (vi) there is no reason to believe that any such Authorization may be withdrawn, cancelled, varied, suspended or revoked, in each case, except where the failure to do could not reasonably be expected to have a Material Adverse Effect.

(d) Financial Statements. The Administrative Agent shall have received (x) audited consolidated balance sheets and the related consolidated statements of income or operations, changes in stockholders' equity and cash flows of the Company as of and for the fiscal year ended December 31, 2021 and (y) draft of the consolidated balance sheets and the related consolidated statements of income or operations, changes in stockholders' equity and cash flows of the Company as of and for the fiscal year ended December 31, 2022, including, in each case, notes thereto.

(e) Regulatory Information. Each Purchaser shall have received (i) all documentation and other written information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act, reasonably requested by them at least five (5) Business Days prior to execution of this Agreement and (ii) the Beneficial Ownership Regulation (including a Beneficial Ownership Certification).

(f) Representations and Warranties. The representations and warranties of each Note Parties set forth in the Note Documents shall be true and correct in all material respects (except where already qualified by materiality or Material Adverse Effect, in which case, such representations and warranties shall be true and correct in all respects) on and as of the Effective Date (unless stated to relate solely to an earlier date, in which case such representations and warranties were true and correct as of such earlier date).

(g) No Default or Event of Default. No Default or Event of Default shall have occurred and be continuing on the Effective Date.

(h) Officer's Certificate. The Administrative Agent shall have received an Officer's Certificate of each Issuer, dated as of the Effective Date, certifying that each of the conditions set forth in this Section 4.01 have been satisfied.

(i) Execution of Security Documents.

(i) The Security Documents contemplated to be entered into as of the Effective Date shall have been duly executed and delivered by the Persons intended to be parties thereto and shall be in full force and effect.

(ii) The security interests in and to the Collateral as of the Effective Date shall have been created in favor of the Collateral Agent for the benefit of the Secured Parties, are in full force and effect and the necessary notices, consents, acknowledgments, filings, registrations and recordings to preserve, protect and perfect the security interests in such Collateral have been or will be made on the Effective Date such that the security interests granted in favor of the Collateral Agent for the benefit of the Secured Parties are filed, registered and recorded and will constitute a second-priority (junior and subordinated to the security granted under the Effective Date Existing Financing, and subject to Permitted Liens), perfected security interest in such Collateral free and clear of any Liens, other than Permitted Liens, and all related recordation, registration and/or notarial fees of such Collateral have been paid to the extent required (except in each case to the extent that any of the same is required to occur at a subsequent time as specified in the relevant Security Document); provided that, notwithstanding anything to the contrary contained in this Agreement or the other Note Documents, to the extent any security interest in any Collateral is not or cannot be provided and/or perfected on the Effective Date, after the Company's use of commercially reasonable efforts to do so or without undue burden or expense, then the provision and/or perfection of a security interest in such Collateral (x) shall not constitute a condition to the initial issuance of Notes under the Commitment to occur on the Effective Date and (y) shall be provided and/or perfected prior to the date that is 90 days after the Effective Date or such longer period of time as may be mutually agreed by the Collateral Agent and the Company, each acting reasonably.

(iii) all forms, application letters, powers of attorney and registration notices in appropriate form for filing, registration and recordation of each of the Security Documents to which the Israeli Issuer is party with the Israeli Registry of Companies and the Israeli Patent Office, as applicable and in original where required by the Israeli Registry of Companies, the Israeli Patent Office or the Collateral Agent (except in each case to the extent that any of the same is required to occur at a subsequent time as specified in the relevant Security Document).

(j) Opinions of Counsel. The Administrative Agent shall have received, in each case dated as of the Effective Date and addressed to the Administrative Agent, the Purchasers and the Collateral Agent, in form and substance reasonably satisfactory to the Administrative Agent, (i) a written opinion of Gornitzky & Co., Israeli counsel to the Note Parties, and (ii) a written opinion of McDermott, Will & Emery AARPI, French counsel to the Note Parties.

(k) Fees and Expenses. The Company has arranged for non-refundable payment on the Effective Date of all reasonable and documented out-of-pocket fees and expenses then due and payable pursuant to the Note Documents.

(l) Equity Documents. The Administrative Agent shall have received (A) a copy of the Board Observer Rights Agreement, dated as of the Effective Date, and (B) a copy of the Warrant Agreements to be executed on the Effective Date, executed and delivered by each of the parties thereto.

Section 4.02 Conditions to each Closing Date. The occurrence of each Closing Date and the obligations of each Purchaser to purchase from each relevant Issuer the Notes to be purchased by each of them hereunder on that Closing Date are subject to the receipt by the Administrative Agent (except as set forth otherwise below) of each of the following documents, and the satisfaction of the conditions precedent set forth below, each of which must be satisfied to the reasonable satisfaction of the Administrative Agent (unless waived by the Administrative Agent):

(a) Corporate Documents. The following documents, each certified as of the Effective Date as indicated below:

(i) an Officer's Certificate of each relevant Issuer dated as of that Closing Date, certifying:

(A) attached to such certificate is a correct and complete copy of resolutions duly adopted by the board of directors, member(s), partner(s) or other authorized governing body of such Person with respect to (as applicable) the authorization and issuance of the Notes to be issued on that Closing Date, and that such resolutions or other evidence of authority have not been modified, rescinded or amended and are in full force and effect;

(B) that the certificate of incorporation, certificate of formation, charter or other Organizational Documents (as the case may be) referred to in Section 4.01(ii)(A) above for such Person has not been amended since the date of the certification furnished pursuant to Section 4.01(ii) above; and

(C) that each of the conditions set forth in this Section 4.02 have been satisfied (or waived by the Administrative Agent and the Purchasers in their sole discretion in accordance with Section 10.02).

(b) Representations and Warranties. The representations and warranties of each Note Parties set forth in the Note Documents shall be true and correct in all material respects (except where already qualified by materiality or Material Adverse Effect, in which case, such representations and warranties shall be true and correct in all respects) on and as of that Closing Date (unless stated to relate solely to an earlier date, in which case such representations and warranties were true and correct as of such earlier date).

(c) Notice of Issuance. Receipt by the Administrative Agent and the Purchasers of a Notice of Issuance for that Closing Date.

(d) Funds Flow Memorandum. The Administrative Agent shall have received the Funds Flow Memorandum for that Closing Date, in form and substance reasonably satisfactory to the Administrative Agent.

(e) No Default or Event of Default. No Default or Event of Default shall have occurred and be continuing on that Closing Date.

ARTICLE IV-A

REPRESENTATIONS OF THE PURCHASERS

Each Purchaser, severally and not jointly, represents and warrants as to itself only to (and solely for the benefit of) the Note Parties as of the Effective Date that:

(a) such Purchaser is an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the Securities Act and the Notes to be acquired by it pursuant to this Agreement have not been registered or qualified under the securities laws of any jurisdiction and are being acquired for its own account, except for transfers to Approved Affiliates and Approved Funds, and not with a view to any distribution thereof or with any present intention of offering or selling any of the Notes in a transaction that would violate the Securities Act or the securities laws of any state of the United States or any other applicable jurisdiction, without prejudice, however, to each Purchaser's right at all times to sell or otherwise dispose of all any part of such Notes pursuant to a registration statement under the Securities Act or pursuant to an exemption from the registration requirements thereof and in compliance with applicable securities laws, and subject, nevertheless, to (i) the disposition of each Purchaser's property being at all times within its control and (ii) the limitation on transfers set forth in Section 10.04;

(b) such Purchaser has such knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the Notes and such Purchaser is capable of bearing the economic risks of such investment and acknowledges that the Notes as of the date hereof, have not been registered under the Securities Act or the securities laws of any state or other jurisdiction;

(c) such Purchaser has not engaged in any form of general solicitation or general advertising with respect to the Notes; and

(d) such Purchaser acknowledges that the Note Parties and, for purposes of the opinions to be delivered to the Purchasers pursuant hereto, counsel to the Note Parties and their Affiliates will rely upon the accuracy and truth of the foregoing representations and in this Article IV-A and hereby consents to such reliance.

ARTICLE V

AFFIRMATIVE COVENANTS

Each Note Party hereby agrees that from the Effective Date and thereafter, in all respects:

Section 5.01 Corporate Existence; Etc. Each Note Party shall, and shall cause each of its Subsidiaries to, at all times preserve and maintain in full force and effect its existence as a corporation or a limited liability company, as applicable, in each case, in good standing, as applicable, under the laws of the jurisdiction of its organization and (b) except as would not reasonably be expected to cause a Material Adverse Effect, its qualification to do business and its good standing, as applicable, in each jurisdiction in which the character of properties owned by it or in which the transaction of its business as conducted makes such qualification necessary.

Section 5.02 Conduct of Business. Each Note Party shall, and shall cause each of its Subsidiaries to, operate, maintain and preserve their rights, privileges and franchises necessary or desirable to conduct the Business and in compliance with Applicable Laws and Authorizations by Governmental Authorities and the terms of its insurance policies, unless the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

Section 5.03 Compliance with Laws and Obligations. Each Note Party shall, and shall cause each of its Subsidiaries to, comply with all Applicable Laws and Authorizations (including applicable Environmental Laws), unless the failure to do so could not reasonably be expected to result in a Material Adverse Effect. Each Note Party shall (i) comply in all material respects with and not violate applicable Sanctions, Anti-Money Laundering Laws, the FCPA or any other applicable Anti-Corruption Laws, (ii) not undertake or cause to be undertaken any Anti-Corruption Prohibited Activity and (iii) maintain policies and procedures, including appropriate controls designed to ensure compliance with Sanctions, Anti-Corruption Laws, and Anti-Money Laundering Laws, except, in the case of each of clauses (i), (ii) and (iii) hereof, where the failure to do so could not reasonably be expected to result in a Material Adverse Effect. This Section 5.03 shall only apply to any German Guarantor or for the benefit of any Secured Party to the extent that the giving or receiving of, or compliance with, the relevant affirmative covenant does not result in a violation of or conflict with, or expose any German Guarantor, any Secured Party or any Affiliate, director, officer or employee of any of the foregoing to any liability under, any anti-boycott or blocking law, regulation or statue that is in force from time to time and applicable thereto (including the Council Regulation (EC) No 2271/96 and/or section 7 of the German Foreign Trade Regulation (*Außenwirtschaftsverordnung*)).

Section 5.04 Governmental Authorizations. Each Note Party shall, and shall cause each of its Subsidiaries to, (a) obtain and maintain in full force and effect (or where appropriate, promptly renew in a timely manner), or cause to be obtained and maintained in full force and effect (or, where appropriate, promptly renewed in a timely manner) all Authorizations required under any Applicable Law (including all Authorizations required by Environmental Law) for the Business, in each case, at or before the time the relevant Authorization becomes necessary for such purposes, (b) obtain and maintain in full force and effect (or where appropriate, promptly renew in a timely manner), or cause to be obtained and maintained in full force and effect (or, where appropriate, promptly renewed in a timely manner) all Authorizations required under any Applicable Law for each Gauzy Company's business and operations generally, in each case, at or before the time the relevant Authorization becomes necessary for such purposes and (c) preserve and maintain in all material respects all other Authorizations required for the Business, in each case of (a) through (c), unless the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

Section 5.05 Maintenance of Title. Each Note Party shall, and shall cause each of its Subsidiaries to, maintain good title to the material property owned by such Gauzy Company free and clear of Liens, other than Permitted Liens.

Section 5.06 Insurance.

(a) Each Note Party shall, and shall cause each of its Subsidiaries to, maintain or cause to be maintained in all material respects on its behalf in effect at all times the types of insurance in the amounts and on the terms and conditions (after giving effect to any self-insurance reasonable and customary for similarly-situated Persons engaged in the same or similar business) and against such risks as is (i) customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations as reasonably determined by management of such Note Party and (ii) considered adequate by such Note Party, from the quality of insurers specified in such Schedule or other insurance companies of recognized responsibility reasonably satisfactory to Administrative Agent (it being understood that the Note Parties' insurance company as of the Effective Date is acceptable). Each Note Party shall have furnished the Administrative Agent, promptly following written request, with certificates signed by the insurer or an agent authorized to bind the insurer, together with loss payee endorsements in favor of the Collateral Agent, evidencing such insurance, identifying underwriters, the type of insurance, the insurance limits and the policy terms, and stating that such insurance (x) is, in each case, in full force and effect and (y) complies with Section 5.06 and that all premiums then due and payable on such insurance have been paid; provided that so long as no Event of Default has occurred and is continuing, such Note Party shall only be required to provide such information so requested one time in any calendar year.

Section 5.07 Keeping of Books.

(a) Each Issuer and the Company shall maintain an accounting and control system, management information system and books of account and other records, which together adequately reflect truly and fairly the financial condition of such Note Party and the results of operations in accordance with GAAP and all Applicable Laws, in all material respects.

(b) The Note Parties shall, and shall cause each of their Subsidiaries to, make available to Administrative Agent, without expense to Administrative Agent, upon the reasonable prior request and at a mutually agreeable time and place, the Gauzy Companies and their officers, employees and any of their books and records, to the extent that Administrative Agent may deem them reasonably necessary, appropriate or helpful to prosecute or defend any third-party suit, claim, investigation, audit or proceeding instituted by or against Administrative Agent or any Purchaser with respect to any Collateral or relating to the Gauzy Companies; *provided*, *however*, nothing herein shall obligate the Note Parties to provide Administrative Agent or any Purchaser any privileged information or attorney work product; *provided, further* that any such books and records or information shall be subject toSection 10.12.

Section 5.08 Access to Records. Each Note Party shall, and shall cause each of its Subsidiaries to, permit (i) officers and designated representatives of the Administrative Agent to visit and inspect the main office accompanied by officers or designated representatives of such Gauzy Company and (ii) officers and designated representatives of the Administrative Agent to examine and make copies of the books of record and accounts of such Gauzy Company (*provided* that such Gauzy Company shall have the right to be present) and discuss the affairs, finances and accounts of such Gauzy Company with the chief financial officer, the chief operating officer and the chief executive officer of the Company (subject to reasonable requirements of safety and confidentiality, including requirements imposed by Applicable Law or by contract, provided the Gauzy Companies will use reasonable efforts to obtain relief from any contractual confidentiality restrictions that prohibit the Administrative Agent or any Purchaser from obtaining information), in each case, with at least ten (10) Business Days advance notice to such Gauzy Company and during normal business hours of such Gauzy Company, and *provided* that, unless a Default has occurred and is continuing, the Issuers shall not be obligated to pay for any such inspections and examinations that exceed once every calendar year (beginning with calendar year 2024).

Section 5.09 Taxes, Etc. Each Note Party shall, and shall cause each of its Subsidiaries to, pay and discharge, before the same shall become delinquent, all national, regional, local and other Taxes, assessments and governmental charges or levies imposed upon it or upon its property to the extent required under the Transaction Documents to which such Gauzy

Companies is a party or under Applicable Law; *provided* that such Gauzy Companies shall not be required to pay or discharge any such Tax, assessment, charge or claim (a) where the failure to make payment could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect, or (b) for so long as such Gauzy Companies satisfies the Permitted Contest Conditions in relation to such Tax, assessment, charge or claim. The Company shall continue to be treated as a corporation for U.S. federal income tax purposes.

Section 5.10 Financial Statements; Other Reporting Requirements. Each Note Party shall furnish to the Administrative Agent:

(a) [Reserved];

(b) as soon as available and in any event within ninety (90) days after the end of each fiscal quarter of the Company (beginning with the fiscal quarter ended September 30, 2023), quarterly unaudited consolidated financial statements of the Gauzy Companies on a consolidated basis, including the unaudited consolidated balance sheet as of the end of such quarterly period and the related unaudited statements of income, retained earnings and cash flows for such quarterly period and for the portion of such fiscal year ending on the last day of such period, all in reasonable detail;

(c) as soon as available and in any event within one hundred and eighty (180) days after the end of each fiscal year of the Company (beginning with the fiscal year ended December 31, 2023), audited consolidated financial statements for such fiscal year for the Company, including therein the consolidated balance sheet as of the end of such fiscal year and the related statements of income, retained earnings and cash flows for such year, a comparison of actual performance with the projected performance set out in the Operating Budget for the relevant fiscal year, all in reasonable detail and accompanied by an audit opinion thereon by the Independent Auditor, which opinion shall state that said financial statements present fairly, in all material respects, the financial position of the Company at the end of, and for, such fiscal year in accordance with GAAP;

(d) at the time of the delivery of the financial statements under Section 5.10(a),(b) and (c) above, a certificate of an Authorized Representative of the Company certifying to the Administrative Agent and the Purchasers that (A) such financial statements fairly present in all material respects the financial condition and results of operations of the Gauzy Companies on a consolidated basis on the dates and for the periods indicated in all material respects in accordance with GAAP, subject, in the case of interim financial statements, to the absence of valuations of fair value of assets in accordance with GAAP, footnotes and year-end adjustments and (B) no Default or Event of Default has occurred and is continuing, or if a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof;

(e) promptly after Administrative Agent's reasonable request therefor, certificates of insurance with respect to each renewal policy and each other insurance policy required to be in effect under this Agreement that has not previously been furnished to the Administrative Agent under this Agreement. If at any time requested by the Administrative Agent (acting reasonably), each Issuer shall deliver to the Administrative Agent a duplicate of any policy of insurance required to be in effect under this Agreement; and

(f) promptly after Administrative Agent's reasonable request therefor, such other information regarding the business, assets, operations or financial condition of the Gauzy Companies as the Administrative Agent may reasonably request; *provided* that none of the Note Parties will be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (i) constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Purchaser (or their respective representatives or contractors) is prohibited by law or any binding confidentiality agreement or (iii) is subject to attorney-client or similar privilege or constitutes attorney work product.

Section 5.11 Notices. The Note Parties shall promptly (and in any event within five (5) Business Days) upon an Authorized Representative of any Note Party obtaining knowledge thereof, give notice to the Administrative Agent of:

(a) details of any change of Applicable Law that would reasonably be expected to have a Material Adverse Effect;

(b) written notice received by it with respect to the cancellation of, material adverse change in, or default under, any insurance policy required to be maintained in accordance with Section 5.06;

(c) the filing or commencement of any litigation, investigation, action or proceeding of or before any court, arbitrator or Governmental Authority against or affecting any Gauzy Company that, if adversely determined, could reasonably be expected to result in liability to any Gauzy Company in an aggregate amount exceeding $1,000,000 or result in a Material Adverse Effect;

(d) any Environmental Claim by any Person against, or with respect to the activities of, the Gauzy Companies and any alleged violation of or non-compliance with any Environmental Laws or any Authorizations required by Environmental Laws applicable to any Gauzy Company that, if adversely determined, could reasonably be material and adverse to the Purchasers;

(e) the expiration, revocation, rescission or material modification of any Authorization and the occurrence of any inspections or audits in respect of the Business which could reasonably be expected to either have a Material Adverse Effect or be material and adverse to the Purchasers;

(f) any Event of Loss in excess of $1,000,000 per individual Event of Loss or $2,000,000 in the aggregate per fiscal year of the Company in the aggregate per annum for all such Events of Loss;

(g) the occurrence of any ERISA Event that could reasonably be expected to result in liability to a Gauzy Company or ERISA Affiliate in excess of $1,000,000, together with a written notice setting forth the nature thereof and the action, if any, that such Gauzy Company or ERISA Affiliate proposes to take with respect thereto;

(h) the occurrence of a Bankruptcy of any Gauzy Company;

(i) the resignation, removal, incapacitation or death of any Qualified Officer;

(j) [Reserved];

(k) any attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with any Gauzy Company's information system operations, data or networks of which it becomes aware that could reasonably be expected to result, after giving effect to the coverage and policy limits of applicable insurance policies in a Material Adverse Effect (a "Cyber-security Incident") and shall promptly provide any information reasonably requested by the Administrative Agent in respect of such Cyber-security Incident; and

(l) the occurrence of a Default or Event of Default.

Section 5.12 [Reserved].

Section 5.13 Use of Proceeds.

(a) The Issuers shall apply the proceeds of the Notes for general corporate purposes.

(b) The Gauzy Companies will not directly or indirectly use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of funding, financing or facilitating any activities, business or transaction in or with any Sanctioned Country, any person that is, at the time of such funding, financing or facilitating, a Sanctioned Person, or in any other manner that would result in a violation by any person (including any person participating in the transaction whether as underwriter, advisor, investor or otherwise) of Sanctions or (in the case of the French Issuer) the provision of financial assistance within the meaning of article L. 225-216 of the French Commercial Code and/or would constitute a misuse of corporate assets or corporate credit within the meaning of articles L. 242-6, L. 241.3 or L. 244-1 of the French Commercial Code or any other law or regulation having the same effect.

(c) The proceeds of the Notes will not be used in violation of Anti-Corruption Laws.

(d) This Section 5.13 shall only apply to any German Guarantor or for the benefit of any Secured Party to the extent that the giving or receiving of, or compliance with, the relevant affirmative covenant does not result in a violation of or conflict with, or expose any German Guarantor, any Secured Party or any Affiliate, director, officer or employee of any of the foregoing to any liability under, any anti- boycott or blocking law, regulation or statue that is in force from time to time and applicable thereto (including the Council Regulation (EC) No 2271/96 and/or section 7 of the German Foreign Trade Regulation (*Außenwirtschaftsverordnung*)).

Section 5.14 Security. Within 10 Business Days (or such later date as acceptable to Administrative Agent in its sole discretion) of the reasonable request of the Administrative Agent and the Collateral Agent, at the Note Parties' expense, the Note Parties shall execute, acknowledge and deliver documents or instruments reasonably necessary or appropriate to preserve and maintain the security interests granted under the Security Documents and undertake all actions which are necessary or appropriate to: (a) subject to Permitted Liens, maintain the Collateral Agent's security interest in the Collateral in full force and effect at all times (including the priority thereof) and (b) subject to Permitted Liens, preserve and protect the Collateral and protect and enforce the Note Parties' rights and title and the rights of the Collateral Agent and the other Secured Parties to the Collateral, including the making or delivery of all filings and recordations, the payment of all fees and other charges and the issuance of supplemental documentation.

Section 5.15 Further Assurances. Each Note Party shall execute, acknowledge where appropriate, and deliver, and cause to be executed, acknowledged where appropriate, and delivered, from time to time promptly at the reasonable request of any Agent all such instruments and documents as are necessary or appropriate to carry out the intent and purpose of the Note Documents (including filings, recordings or registrations required to be filed in respect of any Security Document or assignment thereto) necessary to maintain, to the extent permitted by Applicable Law, the Collateral Agent's perfected second priority security interest in the Collateral (junior and subordinated to the security granted under the Effective Date Existing Financing, and subject to Permitted Liens) to the extent and in the priority required pursuant to the Security Documents.

Section 5.16 Pledged Assets.

(a) To secure the Obligations, each Note Party shall cause 100% of the issued and outstanding Capital Stock of each Subsidiary directly owned by any Note Party to be subject at all times to a second priority, perfected Lien in favor of the Collateral Agent (junior and subordinated to the security granted under the Effective Date Existing Financing, and subject to Permitted Liens), for the benefit of the Secured Parties, pursuant to the terms and conditions of the Security Documents. In connection with the foregoing, the Company shall cause to be delivered to the Agents any filings and deliveries necessary to perfect the security interests in such Capital Stock, all in accordance with the terms of the applicable Security Document governing such Lien.

(b) Without limiting any other provision of any Note Document, if any Note Party shall at any time acquire interests in property (other than Excluded Property) in a single transaction or series of transactions not otherwise subject to the Lien created by the Security Documents having a value of at least $500,000 in the aggregate, in each case not otherwise subject to a Lien pursuant to, and in accordance with, the Security Documents, that Note Party shall notify the Administrative Agent thereof, no later than ten (10) Business Day following the end of the calendar quarter during which such acquisition of interests has been made, and, if requested by the Administrative Agent, such Note Party shall, within ten (10) Business Days of such request (or such later date as acceptable to Administrative Agent in its sole discretion), execute, deliver and record a supplement to the Security Documents or other documents, subjecting such interest to the second priority Lien created by the Security Documents (junior and subordinated to the security granted under the Effective Date Existing Financing). In connection with the foregoing, if requested by the Collateral Agent, the Company shall cause to be delivered to the Agents (addressed to the Agents and the Purchasers) opinions of counsel requested by any Agent and any filings and deliveries necessary to perfect the security interests in such assets, all in substantially form and substance delivered on or about the Effective Date.

Section 5.17 [Reserved].

Section 5.18 Collateral Accounts. The Note Parties shall deposit, and shall use all reasonable efforts to cause third parties that would otherwise make payments directly to any Note Party to deposit, all revenues, payments, cash and proceeds from whatever source received by it on and after the Effective Date to be deposited into the Collateral Accounts.

Section 5.19 Intellectual Property.

(a) The Note Parties shall own, or be licensed to use, all trademarks, tradenames, copyrights, patents and other Intellectual Property necessary for the development, construction, start-up, completion, operation and maintenance of the Business, in each case, as to which the failure of such Note Party to so own or be licensed could reasonably be expected to have a Material Adverse Effect. The development, construction, start-up, completion, operation and maintenance of the Business by such Note Party shall not infringe, misappropriate, dilute or otherwise violate the Intellectual Property rights of any other Person, except for any such infringements, misappropriations, dilutions or other violations that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(b) The Note Parties shall (i) protect, defend and maintain the validity and enforceability of Intellectual Property material to the Business; (ii) promptly advise Administrative Agent in writing of material infringements, misappropriations, dilutions or other violations of any Gauzy Company's Intellectual Property material to the Business; and (iii) not allow any Intellectual Property material to the Business to be abandoned, forfeited or dedicated to the public without Administrative Agent's prior written consent, however allowing any registration or application for registration of any Intellectual Property that is no longer used or useful, or economically practicable to maintain, to lapse, go abandoned, or be invalidated.

Section 5.20 [Reserved].

Section 5.21 [Reserved].

Section 5.22 [Reserved]

Section 5.23 Qualified Officers. The Company shall cause each Qualified Officer to dedicate substantially all of their professional time and effort to the business of the Gauzy Companies; *provided* that in the event of the incapacitation or death of a Qualified Officer, the Company shall, within a hundred and eighty days, appoint or procure that there shall be appointed a natural person (in consultation with the Administrative Agent) that in the Company's reasonable judgment possess the professional skills necessary to fulfill the duties of the Qualified Officer being replaced.

Section 5.24 [Reserved].

Section 5.25 Government Grants. From the date of this Agreement, the Company shall fulfill in all material respects all obligations under applicable law or applicable agreement in connection with grants or funding received from any Governmental Authority, including in respect of IIA-Funded Know-How (including payment of all amounts due to any Governmental Authority in connection with the IIA-Funded Know-How).

ARTICLE VI

NEGATIVE COVENANTS

Each Note Party hereby agrees that from the Effective Date and thereafter, in all respects:

Section 6.01 Subsidiaries. No Note Party shall, nor shall it permit any of its Subsidiaries to, (a) form or have any Subsidiary (other than as set forth in Section 3.01(b)), or (b) own, or otherwise Control any Capital Stock in, any other Person, except that a Note Party may acquire or subscribe for any Capital Stock of any Person *provided* that it shall cause, within 30 days of the consummation of the acquisition or subscription therefor, that such Capital Stock becomes subject to a Lien in favor of the Collateral Agent for the benefit of the Secured Parties, if and as required pursuant to Section 5.16.

Section 6.02 Indebtedness. No Note Party shall, nor shall it permit any of its Subsidiaries to, create, incur, assume or suffer to exist any Indebtedness, other than (without duplication) (each of the following, "Permitted Indebtedness"):

(a) Indebtedness incurred under the Note Documents;

(b) (i) Capital Lease Obligations to the extent incurred in the ordinary course of business or (ii) purchase money obligations to the extent incurred in the ordinary course of business to finance the acquisition or licensing of discrete items of vehicles, equipment, computers or software incurred in the ordinary course of business; *provided* that the aggregate principal amount and the capitalized portion of each such lease or purchase money obligation do not at any one time exceed $1,250,000 in the aggregate for the Gauzy Companies (in the aggregate) and any such obligation's collateral is limited to solely the equipment or asset being financed therewith;

(c) Indebtedness of the Gauzy Companies (other than the Company) in respect of factoring, sale or discounting of receivables (i) in an amount not to exceed at any time the lower of 90% of an amount equal to two times the revenues of the Gauzy Companies in the immediately preceding month, consummated with a Person other than an Affiliate of a Gauzy Company;

(d) unsecured Indebtedness between the Gauzy Companies to the extent constituting an Investment permitted by Section 6.04(a) or (i);

(e) Indebtedness of the Note Parties associated with the performance of bids, contracts, leases, statutory obligations, surety and appeal bonds, performance bonds or other surety obligations entered into in the ordinary course of business or under Applicable Law; providssed the aggregate amount of such Indebtedness permitted pursuant to this Section 6.02(e) shall not exceed $15,000,000 at any time outstanding; provided further that such Indebtedness shall not be owed to a Gauzy Company that is not a Note Party;

(f) obligations in respect of rights-of-way, easements and servitudes, in each case, to the extent permitted hereunder;

(g) Indebtedness (i) existing on the Effective Date and set forth in Schedule 3.21(b) (for avoidance of doubt, other than the Indebtedness under the Effective Date Existing Financing), and (ii) any Permitted Refinancing thereof;

(h) Guarantees by a Gauzy Company of Indebtedness of any Note Party;

(i) Indebtedness owed to (including obligations in respect of letters of credit or bank guarantees or similar instruments for the benefit of) any Person providing workers' compensation, health, disability or other employee benefits or property, casualty or liability insurance, pursuant to reimbursement or indemnification obligations to such Person, in each case incurred in the ordinary course of business and (ii) any participant in a self-insured health and welfare plan maintained by any Gauzy Company, as a result of routine claims for benefits;

(j) Indebtedness in respect of Swap Agreements, netting services, overdraft protection and similar arrangements, in each case, in connection with cash management and deposit accounts;

(k) customer deposits and advance payments received in the ordinary course of business from customers for goods and services purchased in the ordinary course of business;

(l) unsecured Indebtedness to trade creditors incurred in the ordinary course of business;

(m) Indebtedness secured by the funds of any Government Grants permitted by Section 6.17;

(n) any Subordinated Shareholder Loans incurred by the Company; provided that such Subordinated Shareholder Loans are subordinated to the Obligations pursuant to a subordination letter substantially in the form attached as Schedule 6.02(m) and otherwise on terms reasonably acceptable to the Administrative Agent; and

(o) Indebtedness incurred as a result of endorsing negotiable instruments received or in respect of trade letters of credit, in each case in the ordinary course of business.

Section 6.03 Liens, Etc. No Note Party shall, nor shall it permit any of its Subsidiaries to, create, incur, assume or suffer to exist any Lien upon or with respect to any of its properties of any character (including accounts receivables) whether now owned or hereafter acquired, or assign any accounts or other right to receive income, other than Permitted Liens.

Section 6.04 Investments, Advances, Notes. No Note Party shall, nor shall it permit any of its Subsidiaries to, make any advance, Note or extension of credit to, or make any acquisitions of or Investments (whether by way of transfers of property, contributions to capital, acquisitions of stock, securities, evidences of Indebtedness or otherwise) in, or purchase any stock, bonds, notes, debentures or other securities of, any other Person, other than:

(a) to another Note Party;

(b) Cash Equivalents;

(c) extensions of trade credit in the ordinary course of business to the extent otherwise permitted under the Note Documents;

(d) Investments and other acquisitions to the extent that payment for such Investments is made with the amount of Voluntary Equity Contributions that are available for such purposes;

(e) Investments received in connection with the disposition of assets permitted by Section 6.07(e);

(f) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with or judgments against, customers and suppliers;

(g) Investments consisting of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of a Note Party;

(h) Investments and other acquisitions for which payment consists of Capital Stock of the Company, any Parent Entity or any IPO Entity; and

(i) Investments (i) by a Note Party in Subsidiaries that are not Note Parties for the expenses of such Subsidiaries not exceeding $500,000 in the aggregate at any time outstanding and (ii) by Subsidiaries (that are not a Note Party) (x) in other Subsidiaries (that are not a Note Party) or (y) in a Note Party;

provided that, Investments under Sections 6.04(a) and (i) shall not be for speculative purposes.

Section 6.05 Principal Place of Business; Business Activities.

(a) Each Note Party shall not, nor shall it permit any of its Subsidiaries to, change its principal place of business (except within its respective jurisdiction of organization) unless it has given notice thereof within ten (10) Business Days prior to such change to the Administrative Agent, and each Note Party has taken all steps then required pursuant to the Security Documents to ensure the maintenance and perfection of the security interests created or purported to be created thereby in relation to such change.

(b) No Note Party shall, nor shall it permit any of its Subsidiaries to, at any time conduct any material activities other than those related to the Business and any activities related or incidental to the foregoing.

(c) The Company shall not make any election or take any action inconsistent with its continuing treatment as a corporation for U.S. federal income tax purposes.

(d) No Note Party shall, nor shall it permit any of its Subsidiaries to, change its residence for Tax purposes.

Section 6.06 Restricted Payments. Each Note Party shall not, nor shall it permit any of its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment other than:

(a) each Gauzy Company may (i) declare and pay dividends in the form of its Capital Stock and conversions of its Capital Stock into, its Capital Stock (whether of the same or different classes), (ii) make payment of any compensation in the ordinary course of business to holders of any Capital Stock who are employees of any Gauzy Company, and (iii) make payments to another Gauzy Company on account of intercompany Indebtedness permitted under this Agreement;

(b) the Gauzy Companies (other than the Company) may declare and pay dividends and other Restricted Payments ratably with respect to their Capital Stock to any other Gauzy Company;

(c) payments of cash in lieu of the issuance of fractional shares of Capital Stock; and

(d) to the extent otherwise permitted under this Agreement, including Section 6.10(a) or (d).

Section 6.07 Fundamental Changes; Asset Dispositions; Acquisitions. No Note Party shall, nor shall it permit any of its Subsidiaries to:

(a) in one transaction or a series of transactions, merge into or consolidate with, or acquire all or any substantial part of the assets or any class of stock or other ownership interests of, any other Person or sell, transfer or otherwise dispose of all or substantially all of its assets to any other Person, provided that (A) any Gauzy Company that is not a Note Party may merge into or consolidate with or acquire all or any substantial part of the assets or any class of Capital Stock or other ownership interests of any other Gauzy Company that is not a Note Party or (B) any Note Party may merge into or consolidate with or acquire all or any substantial part of the assets or any class of Capital Stock or other ownership interests of any Person so long as such Note Party is the surviving entity of such transaction or action;

(b) change its legal form, liquidate or dissolve without the prior written consent of the Administrative Agent, except that any Subsidiary that is not a Note Party may liquidate or dissolve if the Company determines in good faith that such action is in the best interests of the Gauzy Companies taken as a whole, and is not materially disadvantageous to the Purchasers;

(c) make or agree to make any amendment to its Organizational Documents that could reasonably be expected to be adverse to the rights of any of the Agents or any of the Purchasers under the Note Documents; or

(d) convey, sell, lease, transfer or otherwise dispose of, in one transaction or a series of transactions, all or any part of its property other than: (i) sales or other Dispositions of worn out, surplus or defective equipment or inventory, or other equipment or inventory no longer used or useful to the Business in the ordinary course of business and where such equipment or inventory is not otherwise material to the operation of the Business, (ii) sales or other Dispositions of inventory in the ordinary course of the business of such Gauzy Company, (iii) Dispositions (A) to the extent that any property is exchanged for credit against the purchase price of similar replacement property, or other assets of comparable or greater value or usefulness to the business or (B) resulting from any taking or condemnation of any property of any Gauzy Company by any Governmental Authority, or any assets subject to a casualty so long as the proceeds (or net proceeds, as applicable) thereof are applied in accordance with the applicable mandatory prepayment provisions herein, (iv) Dispositions of assets by any Gauzy Company to any Note Party, (v) the granting of any Permitted Liens permitted by Section 6.03, (vi) permitted Investments, (vii) Indebtedness in respect of factoring, sale or discounting of receivables permitted hereunder, (viii) leases, subleases, licenses or sublicenses, in each case in the ordinary course of business of such Gauzy Company, and (ix) consisting of the use or transfer of money or Cash Equivalents in a manner not prohibited hereunder.

Section 6.08 Accounting Changes. No Note Party shall, nor shall it permit any of its Subsidiaries to, change its fiscal year without the prior written consent of the Administrative Agent.

Section 6.09 Minimum Cash. The Company shall not permit its cash balances to be less than $1,500,000 at any time.

Section 6.10 Transactions with Affiliates. No Note Party shall, and shall not permit any of its Subsidiaries to, directly or indirectly enter into any transaction or series of related transactions (including, for the avoidance of doubt, any transactions permitted by other Sections of this Article VI) with an Affiliate of such Gauzy Company without the prior written consent of the Administrative Agent, except:

(a) transactions between or among Gauzy Companies not involving any other Affiliate thereof;

(b) transactions by any Note Party on terms and conditions substantially as favorable to such Note Party as would be obtainable by it in a comparable arms-length transaction with a Person other than an officer, director or Affiliate;

(c) cash equity contributions to the Company from an owner of the Company (including Voluntary Equity Contributions);

(d) solely with respect to the Company, bona fide rounds of equity financing by investors for capital raising purposes to the extent otherwise permitted by the Note Documents; and

(e) reasonable and customary director, officer and employee compensation and other customary benefits including retirement, health, stock option and other benefit plans, insurance and indemnification arrangements approved by the board of directors or equivalent governing body of such Note Party.

Section 6.11 Guarantees. No Note Party shall, nor shall nor shall it permit any of its Subsidiaries to, assume, guarantee, endorse, contingently agree to purchase or otherwise become liable for Indebtedness or obligations of any other Person except as expressly permitted under the terms of the Note Documents.

Section 6.12 Hazardous Materials. No Note Party shall, nor shall it permit any of its Subsidiaries to, cause any material Releases of Hazardous Materials except to the extent such Release is in compliance in all respects with all Applicable Laws, including Environmental Laws, and applicable insurance policies.

Section 6.13 No Speculative Transactions. No Note Party shall, nor shall it permit any of its Subsidiaries to, enter into any Swap Agreement, foreign currency trading or other speculative transactions without the consent of the Administrative Agent acting reasonably.

Section 6.14 Change of Auditors. The Company shall not, without the prior written consent of the Administrative Agent, change its Independent Auditor, including for the purpose of the audit of the consolidated financial statements of the Company and its Subsidiaries.

Section 6.15 Collateral Accounts. No Note Party shall, nor shall it permit any of its Subsidiaries to

have any account other than accounts that are or become Collateral Accounts (other than Excluded Accounts).

Section 6.16 No Instalment Arrangements. The Company shall not enter into any instalment arrangement ("*הסדר פרסה*") with the Israeli Tax Authority, the National Insurance Institute of Israel ("*Bituach Leumi*") or any municipal authority in Israel, according to which obligatory payments of the Company to such entities will be rescheduled, deferred or otherwise paid in instalments, which in each case are classified as "Preferred Debts" ("*hovot be-din kdima*") under Section 234(a)(5) of the Israeli Insolvency Law.

Section 6.17 Government Grants. From the date of this Agreement, the Company will not accept or receive any further grant or funding from any Governmental Authority (including the IIA), nor shall it apply for or request any change, increase or other modification to any existing grant or funding, or to any of the IIA approved plans, programs or approvals in respect of the Collateral, in each case without the prior written consent of the Collateral Agent at the direction of the Required Purchasers, except for any grant the terms of which do not include an obligation to repay such grant (including by way of payment of royalties from (i) sales of products containing know-how developed using such grants or (ii) from the exploitation of intellectual property rights developed with the assistance of such grants).

ARTICLE VII

EVENTS OF DEFAULT; OTHER REMEDIES

Section 7.01 Events of Default. If any of the following events ("Events of Default") shall occur:

(a) (i) any Issuer shall fail to pay any principal of any Notes (including any Accrued Interest that has been added to principal) when and as the same shall become due and payable, whether at the due date thereof or, in the case of payments of principal due pursuant to Section 2.06(b), at a date fixed for prepayment thereof or (ii) any Guarantor shall have defaulted on its obligation to make a payment under Article IX;

(b) any Issuer shall fail to pay, when the same shall be due and payable, (i) any interest on any Note and such failure is not cured within three (3) Business Days or (ii) any fee or any other amount (other than an amount referred to in clause (a) or (b)(i) of this Section) payable under this Agreement or under any other Note Document when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five (5) Business Days;

(c) any representation or warranty made by or deemed made by any Note Party in this Agreement or any other Note Document, or in any certificate or other document furnished to any Secured Party by or on behalf of such Note Party in accordance with the terms hereof or thereof shall prove to have been incorrect in any material respect as of the time made or deemed made, confirmed or furnished, and such representation or warranty, if capable of being cured, remains incorrect in such respect for 30 days after receipt by the Company of written notice thereof by the Administrative Agent;

(d) any Note Party shall fail to observe or perform any covenant or agreement, as applicable, contained in:

(i) Section 5.01 (as to existence as set forth in clause (a) thereof),Section 5.13, Section 5.14, Section 5.15, Section 5.16, Section 5.22, or Article VI; or

(ii) Section 5.08 or Section 5.10 and such failure has continued unremedied for a period of ten (10) Business Days; or

(e) any Note Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or any other Note Document (other than those specified in clauses (a), (b), (c) or (d) of this Section) and such failure shall continue unremedied for a period of thirty (30) days;*provided* that, if (A) such failure is not reasonably susceptible to cure within such thirty (30) days, (B) such Note Party is proceeding with diligence and good faith to cure such Default and such Default is susceptible to cure and (C) the existence of such failure has not resulted in a Material Adverse Effect, such thirty (30) day period shall be extended as may be necessary to cure such failure, such extended period not to exceed sixty (60) days in the aggregate (inclusive of the original thirty (30) day period);

(f) a Bankruptcy occurs with respect to any Gauzy Company;

(g) a final non-appealable judgment or order for the payment of money is entered against any Gauzy Company in an amount exceeding $1,000,000 (exclusive of judgment amounts covered by insurance or bond where the insurer or bonding party has admitted liability in respect of such judgment), and such judgment remains unsatisfied without any procurement of a stay of execution for a period of sixty (60) days or more after the date of entry of judgment;

(h) (i) any Security Document (A) is revoked, terminated or otherwise ceases to be in full force and effect (except in connection with its expiration in accordance with its terms in the ordinary course (and not related to any default thereunder) or due to the action or inaction of the Collateral Agent), or the enforceability thereof shall be challenged in writing by any Note Party, (B) ceases to provide (to the extent permitted by law and to the extent required by the Note Documents) a second priority perfected Lien (junior and subordinated to the security granted under the Effective Date Existing Financing) on the assets purported to be covered thereby in favor of the Collateral Agent, free and clear of all other Liens (other than the security granted under the Effective Date Existing Financing and Permitted Liens), or (C) becomes unlawful or is declared void or (ii) any Note Document (A) is revoked, terminated or otherwise ceases to be in full force and effect (except in connection with its expiration in accordance with its terms in the ordinary course (and not related to any default thereunder)), or (B) becomes unlawful or is declared void;

(i) an ERISA Event has occurred which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect;

(j) a Change of Control has occurred, unless the Administrative Agent has provided its prior written consent thereto;

(k) any Note Party shall default in the observance or performance of any material agreement or condition contained in any Gauzy Equity Document, and such default shall continue after the expiration of any grace or cure period specified therefor under such Gauzy Equity Document or, if no grace or cure period is so specified therein, such failure shall continue unremedied for a period of thirty (30) days; *provided* that, if (A) such failure is not reasonably susceptible to cure within such thirty (30) days, (B) such Note Party is proceeding with diligence and good faith to cure such Default and such Default is susceptible to cure and (C) the existence of such failure has not resulted in a Material Adverse Effect, such thirty

(30) day period shall be extended as may be necessary to cure such failure, such extended period not to exceed sixty (60) days in the aggregate (inclusive of the original thirty (30) day period);

(l) any Authorization necessary for the execution, delivery and performance of any material obligation under the Transaction Documents is terminated or ceases to be in full force or is not obtained, maintained, or complied with, unless such failure (i) could not reasonably be expected to result in a Material Adverse Effect and (ii) is remedied within ninety (90) days;

(m) an Event of Abandonment shall occur;

(n) an uninsured Event of Loss or a Condemnation resulting in a Material Adverse Effect; or

(o) any Gauzy Company shall (i) default in making any payment of any principal, interest or premium of any Indebtedness (excluding the Notes and other Obligations) on the scheduled or original due date with respect thereto, in each case, beyond any grace periods applicable thereto; or (ii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness (excluding the Obligations) or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, in each case, beyond any grace periods applicable thereto, resulting in such Indebtedness becoming due prior to its stated maturity or subject to a mandatory offer to purchase by the obligor thereunder or (in the case of any such Indebtedness constituting a Guarantee) becoming payable; *provided* that a default, event or condition described in clauses (i) or (ii) of this clause (o) shall not at any time constitute an Event of Default unless, at such time, one or more defaults, events or conditions of the type described in clauses (i) and (ii) of this clause (o) shall have occurred and be continuing with respect to Indebtedness the outstanding principal amount of which exceeds in the aggregate $1,000,000;*provided*, that clause (ii) of this clause (o) will not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property securing such Indebtedness if such sale or transfer is permitted hereunder;

then, and in every such event (other than an event with respect to a Gauzy Company described in clause (f) of this Section), and at any time thereafter during the continuance of such event, the Administrative Agent may by notice to the Company, take any or all of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately; and (ii) declare the Notes and all other amounts due under the Note Documents (including the Prepayment Premium MOIC Amount) then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Note so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Issuers accrued hereunder or under the Note Documents (including the Prepayment Premium MOIC Amount), shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Note Parties; and in case of any event with respect to a Note Party described in clause (f) of this Section, the Commitments shall automatically terminate and the principal of the Notes then outstanding, together with accrued interest thereon and all fees and other obligations of the Issuers accrued hereunder and under the Note Documents (including the Prepayment Premium MOIC Amount), shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Note Parties. Upon the occurrence and during the continuance of any Event of Default, in addition to the exercise of remedies set forth in clauses (i) and (ii) above, each Secured Party shall be, subject to the terms of the Security Documents, entitled to exercise the rights and remedies available to such Secured Party under and in accordance with the provisions of the other Note Documents to which it is a party or any Applicable Law.

ARTICLE VIII

THE AGENTS

Section 8.01 Appointment and Authorization of the Agents.

(a) Each of the Purchasers hereby irrevocably appoints each Agent to act on its behalf as its agent hereunder and under the other Note Documents and authorizes each Agent in such capacity, to take such actions on its behalf and to exercise such powers as are delegated to it by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. Each of the Purchasers hereby releases, to the extent legally possible, the Administrative Agent and the Collateral Agent from any restrictions of multi-representation under any Applicable Law. Any Purchaser prevented by Applicable Law or its constitutional documents from granting the release from the restrictions under Section 181 German Civil Code shall notify the Administrative Agent and the Collateral Agent in writing without undue delay. Each Agent, by executing this Agreement, hereby accepts such appointment. The provisions of this Article are solely for the benefit of the Agents and the Purchasers (other than the express rights of the Company under Section 8.07), and none of the Note Parties shall have rights as a third party beneficiary of any of such provisions.

(b) Each Agent is hereby authorized to execute, deliver and perform each of the Note Documents to which such Agent is intended to be a party. In addition, prior to the Discharge of Obligations (as defined in the Security Agreement), without further written consent or authorization from the Purchasers, the Collateral Agent may execute any documents or instruments necessary in connection with a sale or disposition of assets permitted by this Agreement and permitted by the applicable Security Documents, to release any Lien encumbering any item of Collateral that is the subject of such sale or other disposition of assets or to which the requisite Purchasers have otherwise consented. Each Agent hereby agrees, and each Purchaser hereby authorizes such Agent, to enter into the amendments and other modifications of the Security Documents (subject to Section 10.02(b)) as reasonably required in connection therewith.

Section 8.02 Rights as a Purchaser. Each Agent shall have the same rights and powers in its capacity as a Purchaser as any other Purchaser and may exercise the same as though it were not an Agent, and such Person and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Company or any of Subsidiary or other Affiliate thereof as if it were not an Agent hereunder.

Section 8.03 Duties of Agent; Exculpatory Provisions. No Agent shall have any duties or obligations except those expressly set forth herein and in the other Note Documents. All communications, notices, financial statements, projections, reports and other information received by any Agent in relation to Note Documents must be provided to each Purchaser within one (1) Business Day after receipt. Without limiting the generality of the foregoing, no Agent (a) shall be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing, (b) shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Note Documents that such Agent is required to exercise, and (c) shall, except as expressly set forth herein and in the other Note Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Company or any of its Subsidiaries that is communicated to or obtained by the financial institution serving as an Agent or any of its Affiliates in any capacity. No Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Purchasers or in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, non-appealable decision. No Agent shall be deemed to have knowledge of any Default or Event of Default unless and until written notice thereof is given to such Agent by the Company or a Purchaser, and no Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Note Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Note Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein or therein, other than to confirm receipt of items expressly required to be delivered to such Agent.

Section 8.04 Reliance by Agent. Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement,

instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. Each Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. Each Agent may consult with legal counsel, independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 8.05 Delegation of Duties. Each Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by such Agent. Each Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of Section 8.03 and Section 8.04 shall apply to any such sub-agent and to the Related Parties of each Agent and any such sub-agent, and shall apply to their respective activities as well as activities as each Agent.

Section 8.06 [Reserved].

Section 8.07 Resignation of Agent. Each Agent may resign at any time upon thirty days' notice by notifying the Purchasers and the Company, and any Agent may be removed at any time by the Required Purchasers (with a prior written notice to the Company). Upon any such resignation or removal, the Required Purchasers shall have the right, with the consent of the Company (such consent not to be unreasonably withheld), to appoint a successor Agent. If no successor shall have been so appointed by the Required Purchasers and approved by the Company and shall have accepted such appointment within thirty (30) days after the retiring Agent gives notice of its resignation or after the Administrative Agent's removal of the retiring Agent, then the retiring Agent may, on behalf of the Purchasers, appoint a successor Agent, which shall be a Purchaser with an office in New York, New York, an Affiliate of a Purchaser or a financial institution with an office in New York, New York having a combined capital and surplus that is not less than $250,000,000. Upon the acceptance of its appointment as Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring (or retired) Agent and the retiring Agent shall be discharged from its duties and obligations hereunder (if not already discharged therefrom as provided above in this Section 8.07). The fees payable by the Company to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Company and such successor. After such Agent's resignation or removal hereunder, the provisions of this Article and Section 10.03 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as such Agent.

Section 8.08 Non-Reliance on Agent or Other Purchasers. Each Purchaser acknowledges that it has, independently and without reliance upon any Agent, the Affiliates of any Agent or any other Purchaser and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Purchaser also acknowledges that it will, independently and without reliance upon any Agent, the Affiliates of any Agent or any other Purchaser and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Note Document or any related agreement or any document furnished hereunder or thereunder.

Section 8.09 No Other Duties; Etc. The parties agree that neither the Administrative Agent nor the Collateral Agent shall have any obligations, liability or responsibility under or in connection with this Agreement and the other Note Documents and that none of the Agents shall have any obligations, liabilities or responsibilities except for those expressly set forth herein and in the other Note Documents. The Collateral Agent shall have all of the rights (including indemnification rights), powers, benefits, privileges, exculpations, protections and immunities granted to the Collateral Agent under the other Note Documents, all of which are incorporated herein mutatis mutandis.

Section 8.10 Erroneous Payments.

(a) If the Administrative Agent (x) notifies a Purchaser or Secured Party, or any Person who has received funds on behalf of a Purchaser or Secured Party (any such Purchaser, Secured Party or other recipient (and each of their respective successors and assigns), a "Payment Recipient") that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds (as set forth in such notice from the Administrative Agent) received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously or mistakenly transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Purchaser, Secured Party or other Payment Recipient on its behalf) (any such funds, whether transmitted or received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "Erroneous Payment") and (y) demands in writing the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent pending its return or repayment as contemplated below in this Section 8.10 and held in trust for the benefit of the Administrative Agent, and such Purchaser or Secured Party shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter (or such later date as the Administrative Agent may, in its sole discretion, specify in writing), return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon (except to the extent waived in writing by the Administrative Agent) in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Payment Recipient, hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in this Agreement or in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Payment Recipient otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part), then in each such case:

(i) it acknowledges and agrees that (A) in the case of immediately precedingclauses (x) or (y), an error and mistake shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) an error and mistake has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Payment Recipient shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of the occurrence of any of the circumstances described in immediately preceding clauses (x), (y) and (z)) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this clause (b).

For the avoidance of doubt, the failure to deliver a notice to the Administrative Agent pursuant to this clause (b) shall not have any effect on a Payment Recipient's obligations pursuant to Section 8.10(a) or on whether or not an Erroneous Payment has been made.

(c) Each Purchaser and Secured Party hereby agrees that, to the extent it fails to return any Erroneous Payment to the Administrative Agent pursuant to, and within the time periods required by, clauses (a) or (b) above, the Administrative Agent (or its Affiliates) is authorized at any time and from time to time thereafter, to the fullest extent permitted by law, to net, set off and apply any and all deposits of such Purchaser or Secured Party (general or special, time or demand, provisional or final) at any time held by or on behalf of the Administrative Agent (or its Affiliate, including by branches and agencies of the Administrative Agent, wherever located) for the account of such Purchaser or Secured Party against any such amounts.

(d)

(i) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with immediately preceding clause (a), from any Purchaser that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an "Erroneous Payment Return Deficiency"), upon the Administrative Agent's notice to such Purchaser at any time, then effective immediately (with the consideration therefor being acknowledged by the parties hereto), (A) such Purchaser shall be deemed to have assigned its Notes (but not its Commitments) with respect to which such Erroneous Payment was made (the "Erroneous Payment Impacted Class") in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Notes (but not Commitments) of the Erroneous Payment Impacted Class, the "Erroneous Payment Deficiency Assignment") (on a cashless basis and such amount calculated at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance)), and is hereby (together with each Issuer) deemed to execute and deliver an Assignment and Assumption (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to any electronic platform approved by the Administrative Agent as to which the Administrative Agent and such parties are participants) with respect to such Erroneous Payment Deficiency Assignment, and such Purchaser shall deliver any Notes to the Company or the Administrative Agent, (but the failure of such Person to deliver any such Notes shall not affect the effectiveness of the foregoing assignment), (B) the Administrative Agent as the assignee Purchaser shall be deemed to have acquired the Erroneous Payment Deficiency Assignment, (C) upon such deemed acquisition, the Administrative Agent as the assignee Purchaser shall become a Purchaser, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Purchaser shall cease to be a Purchaser, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Purchaser, (D) the Administrative Agent and Issuers shall each be deemed to have waived any consents required under this Agreement to any such Erroneous Payment Deficiency Assignment, and (E) the Administrative Agent will reflect in the Register its ownership interest in the Notes subject to the Erroneous Payment Deficiency Assignment. For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Purchaser and such Commitments shall remain available in accordance with the terms of this Agreement.

(ii) Subject to Section 10.04 (but excluding, in all events, any assignment consent or approval requirements (whether from the Company or otherwise)), the Administrative Agent may, in its discretion, sell any Notes acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Purchaser shall be reduced by the net proceeds of the sale of such Notes (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Purchaser (and/or against any recipient that receives funds on its respective behalf). In addition, an Erroneous Payment Return Deficiency owing by the applicable Purchaser (x) shall be reduced by the proceeds of prepayments or repayments of principal and interest, or other distribution in respect of principal and interest, received by the Administrative Agent on or with respect to any such Notes acquired from such Purchaser pursuant to an Erroneous Payment Deficiency Assignment (to the extent that any such Notes are then owned by the Administrative Agent) and (y) may, in the sole discretion of the Administrative Agent, be reduced by any amount specified by the Administrative Agent in writing to the applicable Purchaser from time to time.

(e) The parties hereto agree that (x) irrespective of whether the Administrative Agent may be equitably subrogated, in the event that an Erroneous Payment (or portion thereof) is not recovered from any Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights and interests of such Payment Recipient (and, in the case of any Payment Recipient who has received funds on behalf of a Purchaser or Secured Party, to the rights and interests of such Purchaser or Secured Party, as the case may be) under the Note Documents with respect to such amount (the "Erroneous Payment Subrogation Rights") (*provided* that the Note Parties' Obligations under the Note Documents in respect of the Erroneous Payment Subrogation Rights shall not be duplicative of such Obligations in respect of Notes that have been assigned to the Administrative Agent under an Erroneous Payment Deficiency Assignment) and (y) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by each Issuer or any other Note Party; *provided* that this Section 8.10(e) shall not be interpreted to increase (or accelerate the due date for), or have the effect of increasing (or accelerating the due date for), the Obligations of an Issuer relative to the amount (and/or timing for payment) of the Obligations that would have been payable had such Erroneous Payment not been made by the Administrative Agent; *provided*, *further*, that for the avoidance of doubt, immediately preceding clauses (x) and (y) shall not apply to the extent any such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Company for the purpose of making such Erroneous Payment.

(f) To the extent permitted by applicable Law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including, without limitation, any defense based on "discharge for value" or any similar doctrine.

Each party's obligations, agreements and waivers under this Section 8.10 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Purchaser, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Note Document.

Section 8.11 Collateral Agent in relation to French Security Documents

(a) Without limiting any other right and obligation of the Collateral Agent under this Agreement, this Section 8.11 shall apply in relation to the French Security Documents and the French Security.

(b) Each Secured Party (other than the Collateral Agent):

(i) irrevocably and unconditionally appoints the Collateral Agent to act as (*agent des sûretés*) (security agent) pursuant to articles 2488-6 and following of the French Civil Code in respect of the French Security;

(ii) irrevocably authorizes, empowers and directs the Collateral Agent (by itself or by such person(s) as it may nominate) acting in such capacity within the meaning of article 2488-6 of the French Civil Code, without limitation and notwithstanding any other rights conferred upon the Collateral Agent under this Agreement to:

(A) take, register, manage and enforce any French Security in the name of the Collateral Agent for the benefit of (*au profit de*) such Secured Party;

(B) negotiate and execute, in its name and for the benefit of the Secured Parties, the French Security Documents (and any ancillary document in connection therewith);

(C) perform the duties and exercise the rights, powers, prerogatives and discretions that are specifically granted to it under or in connection with the French Security Documents;

(D) release the French Security upon the Notes having been repaid, discharged and terminated in full; and

(E) take any action and exercise any right, power, prerogative and discretion upon the terms and conditions set out in this Agreement or under or in connection with the French Security Documents and more generally to take any action to protect the rights of the Secured Parties under or in connection with any French Security, in each case together with any other right, power, prerogative and discretion which are incidental thereto; and

(iii) confirms that the appointment of the Collateral Agent under this Section 8.11 shall remain in full force and effect until the Notes have been repaid, discharged and terminated in full.

(c) The Collateral Agent:

(i) accepts its appointment as *agent des sûretés* pursuant to this Section 8.11; and

(ii) acknowledges that it shall act in its own name for the benefit of the Secured Parties for the purposes of the French Security and the French Security Documents,

in each case, in accordance with articles 2488-6 and following of the French Civil Code and the provisions of this Agreement.

(d) Any change of Collateral Agent appointed pursuant to this Section 8.11 shall be made in accordance with Section 8.07 of this Agreement (*remplacement conventionnel*) or article 2488-11 of the French Civil Code (*remplacement judiciaire*).

(e) With respect to any French Security Document, any reference in this Agreement to the Collateral Agent acting as agent shall be read as a reference to the Collateral Agent acting as *agent des sûretés* as referred to in this Section 8.11.

Section 8.12 Administration Of German Collateral

Without limiting any other rights under this Agreement, in relation to the German Security Documents the following shall apply:

(a) The Collateral Agent is authorized to:

(i) hold and administer and, as the case may be, release and (subject to it having become enforceable) realize:

(A) any security interest granted under any German Security Document (each, a "German Security Interest") that is constituted by way of a transfer of title or assignment by way of security (Sicherungseigentum/Sicherungsabtretung) or by way of any other non-accessory security right (*nicht akzessorische Sicherheit*); and

(B) any proceeds of such German Security Interest, as trustee in its own name but for the benefit of all Secured Parties (each, a "German Secured Party") that have the benefit of such security interest in accordance with this Agreement and the respective German Security Document;

(ii) administer and, as the case may be, release and (subject to it having become enforceable) realize any German Security Interest that is created in favor of the Collateral Agent or the German Secured Parties (or any of them) by way of a pledge (*Verpfändung*) or any other German law accessory security right (*akzessorische Sicherheit*); and

(iii) if and when acting in its capacity as creditor of the German Parallel Debt, hold and administer and, as the case may be, release and (subject to it having become enforceable) realize:

(A) any German Security Interest that is created in favor of the Collateral Agent as creditor of the German Parallel Debt by way of a pledge (*Verpfändung*) or any other German law accessory security right (*akzessorische Sicherheit*);

(B) any proceeds of such German Security Interest; and

(C) the benefit of this paragraph (iii) and of the German Parallel Debt,

as creditor in its own right but for the benefit of the German Secured Parties in accordance with this Agreement.

(b) Each German Secured Party (other than the Collateral Agent) by accepting the benefits of this Agreement is deemed to ratify and approve all acts done by the Collateral Agent on such German Secured Party's behalf before execution of this Agreement, or the relevant German Secured Party's accession to this Agreement, as the case may be, including, for the avoidance of doubt, the declarations made by the Collateral Agent as representative without power of attorney (*Vertreter ohne Vertretungsmacht*) in relation to the creation of any pledge (*Pfandrecht*) on behalf and for the benefit of any German Secured Party in respect of any German Security Document.

(c) The Collateral Agent shall (at the sole expense of the applicable Note Party), and is hereby authorized by each of the German Secured Parties to, upon receipt of any certification required to be delivered to it pursuant to any provisions of this Agreement or of any Security Document, execute on behalf of itself and each other German Secured Party, without the need for any further referral to, or authority from, any other person, all necessary releases or confirmations of any security created under the German Security Documents that are reasonably requested and delivered to it by the applicable Note Party. Any execution and delivery of documents by the Collateral Agent pursuant to this Section shall be without recourse to, or representation or warranty by, the Collateral Agent. The Collateral Agent and each of the German Secured Parties hereby agree that, in relation to the German Security Documents, no German Secured Party shall exercise any independent power to enforce any German Security Interest or take any other action in relation to the enforcement of the German Security Interests, or make or receive any declarations in relation thereto.

(d) Each German Secured Party hereby irrevocably instructs and authorizes the Collateral Agent (with the right of sub-delegation) to act on its behalf and, if required under any applicable law or if otherwise appropriate, in its name and on its behalf in connection with the preparation, execution and delivery of the German Security Documents, the perfection and monitoring of the German Security Documents and the rescission, release or amendment of the German Security Documents, and to enter into any documents evidencing German Security Interests and to make and accept all declarations and take all actions that may be necessary or useful in connection with any German Security Interest on behalf of such German Secured Party. The Collateral Agent is hereby authorized by each German Secured Party to make all statements necessary or appropriate in connection with the foregoing. The Collateral Agent shall further be entitled to rescind, release, amend or execute, on behalf of each German Secured Party, any additional documents securing the German Security Interest.

(e) At the request of the Collateral Agent, each German Secured Party shall provide the Collateral Agent with a separate written power of attorney (Spezialvollmacht) for the purposes of executing any relevant agreements and documents on its behalf.

(f) Each German Secured Party hereby releases the Collateral Agent from the restrictions pursuant to section 181 of the German Civil Code and similar restrictions under any applicable law, in each case to the extent legally possible for the German Secured Parties. If any German Secured Party is prevented by applicable law or its constitutional documents from granting the release from the restrictions pursuant to section 181 German Civil Code it shall notify the Collateral Agent without undue delay.

Section 8.13 Parallel Debt (Covenant to Pay)

(a) Each Note Party, by way of an independent payment obligation, hereby irrevocably and unconditionally undertakes to pay to the Collateral Agent, as creditor in its own right and not as representative of the other Secured Parties, any amounts owing from time to time by that Note Party to any Secured Party (other than the Collateral Agent) under any of the Note Documents (its "Corresponding Debt"), as and when those amounts are due (such Note Party's payment and undertaking pursuant to this paragraph (a), its "Parallel Debt").

(b) Each Note Party and the Collateral Agent acknowledges that the Parallel Debt of each Note Party is several and is separate and independent from, and shall not in any way limit or affect, the Corresponding Debt of that Note Party nor shall the amounts for which each Note Party is liable under its Parallel Debt be limited or affected in any way by its Corresponding Debt; provided that, notwithstanding any other provision of this Agreement or the Note Documents:

(i) the Parallel Debt of each Note Party shall be automatically decreased and discharged to the extent that its Corresponding Debt has been irrevocably paid or, in the case of guarantee obligations, discharged;

(ii) the Corresponding Debt of each Note Party shall be automatically decreased and discharged to the extent that its Parallel Debt has been irrevocably paid or, in the case of guarantee obligations, discharged;

(iii) the amount of the Parallel Debt of each Note Party shall at all times be equal to the amount of its Corresponding Debt; and

(iv) the aggregate amount outstanding owed by the Note Parties under the Note Documents at any time shall not exceed the amount of the Corresponding Debt at that time.

(c) For the purposes of this Section 8.13, the Collateral Agent acts in its own name and not as an agent, representative or a trustee, and its claims in respect of the Parallel Debt shall not be held on trust. The Collateral Agent shall have its own independent right to demand payment of the amounts payable by each Note Party under this Section 8.13. The Collateral granted under the Security Documents to the Collateral Agent to secure the Parallel Debt is granted to the Collateral Agent in its capacity as creditor of the Parallel Debt and shall not be held on trust.

(d) Without limiting or affecting the rights of the Collateral Agent against the Note Parties (whether under thisSection 8.13 or any other provision of this Agreement or the Note Documents), each Note Party acknowledges that (i) nothing in this Section 8.13 shall impose any obligation on the Collateral Agent to pay or advance any sum to any Note Party or otherwise under any of the Note Documents, in its capacity as creditor of the Parallel Debt, and (ii) for the purpose of any vote taken under any of the Note Documents, the Collateral Agent shall not be regarded as having any participation or commitment in its capacity as creditor of the Parallel Debt.

ARTICLE IX

GUARANTY

Section 9.01 Guaranty.

(a) For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the Guarantors, jointly and severally, hereby unconditionally and irrevocably guarantees the full and punctual payment (whether at stated maturity, upon acceleration or otherwise) of all Guaranteed Obligations, in each case as primary obligor and not merely as surety and with respect to all such Guaranteed Obligations howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due. This is a guaranty of payment and not merely of collection.

(b) All payments made by the Guarantors under this Article IX shall be payable in the manner required for payments by the Issuers hereunder.

(c) Any term or provision of this guaranty to the contrary notwithstanding, the aggregate maximum amount of the Guaranteed Obligations for which any Guarantor shall be liable under this guaranty shall not exceed the maximum amount for which such Guarantor can be liable without rendering this guaranty or any other Note Document, as it relates to such Guarantor void or voidable under Applicable Law relating to fraudulent conveyance or fraudulent transfer.

Section 9.02 Guaranty Unconditional. The Guaranteed Obligations shall be unconditional and absolute and, without limiting the generality of the foregoing, (other than in connection with a Discharge of Obligations (as defined in the Security Agreement)) shall not be released, discharged or otherwise affected by:

(a) any extension, renewal, settlement, compromise, waiver or release in respect of any obligations of any Note Party under the Note Documents and/or any Commitments under the Note Documents, by operation of law or otherwise (other than with respect to any such extension, renewal, settlement, compromise, waiver or release agreed in accordance with the terms hereunder as expressly applying to the Guaranteed Obligations);

(b) any modification or amendment of or supplement to this Agreement or any other Note Document (other than with respect to any modification, amendment or supplement agreed in accordance with the terms hereunder as expressly applying to the Guaranteed Obligations);

(c) any failure to perfect or continue perfection of a security interest in any Collateral;

(d) any change in the corporate existence, structure or ownership of any Gauzy Company or any other Person, or any event of the type described inSections 5.01, 6.01 or 6.07 with respect to any Person;

(e) the existence of any claim, set-off or other rights that the Guarantors may have at any time against any Note Party, any Secured Party or any other Person (except for the defense that the Guaranteed Obligations have been paid), whether in connection herewith or with any unrelated transactions;

(f) any invalidity or unenforceability relating to or against any Note Party for any reason of any Note Document, or any provision of Applicable Law purporting to prohibit the performance by any Note Party of any of its obligations under the Note Documents (other than any such invalidity or unenforceability with respect solely to the Guaranteed Obligations); or

(g) any other act or omission to act or delay of any kind by any Note Party, any Secured Party or any other Person or any other circumstance whatsoever that might, but for the provisions of this Section 9.02, constitute a legal or equitable discharge of the obligations of any Note Party under the Note Documents.

It is expressly agreed that the Israeli Guarantee Law, 5727-1967 (the "Israeli Guarantee Law") shall not apply to this Agreement or to any Note Document. However, should the Israeli Guarantee Law for any reason be deemed to apply to this Agreement or to any Note Document, the Company hereby irrevocably and unconditionally waives all rights and defenses that may have been available to it under the Israeli Guarantee Law, provided that the forgoing shall not in any way affect or constitute a waiver by any Note Party of any rights or defenses available to the Company under the terms of this Agreement or the laws of the State of New York after giving effect to the other provisions of this Article IX.

Section 9.03 Discharge Only Upon Payment in Full; Reinstatement in Certain Circumstances. The Guaranteed Obligations shall remain in full force and effect until the Discharge of Obligations (as defined in the Security Agreement). If at any time any payment made under this Agreement or any other Note Document is rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, reorganization or similar event of any Note Party or any other Person or otherwise, then the Guaranteed Obligations with respect to such payment shall be reinstated at such time as though such payment had been due but not made at such time.

Section 9.04 Waiver by the Guarantors.

(a) Each Guarantor hereby irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law: (i) notice of acceptance of the guaranty provided in this Article IX and notice of any liability to which this guaranty may apply, (ii) all notices that may be required by Applicable Law or otherwise to preserve intact any rights of any Secured Party against any Note Party, including any demand, presentment, protest, proof of notice of non-payment, notice of any failure on the part of any Note Party to perform and comply with any covenant, agreement, term, condition or provision of any agreement and any other notice to any other party that may be liable in respect of the Guaranteed Obligations (including any Note Party) except any of the foregoing as may be expressly required hereunder, (iii) any right to require the enforcement, assertion or exercise by any Secured Party of any right, power, privilege or remedy conferred upon such Person under the Note Documents or otherwise and (iv) any right to require that any Secured Party exhaust any right, power, privilege or remedy, or mitigate any damages resulting from a default, under any Note Document, or proceed to take any action against any Collateral or against any Note Party or any other Person

under or in respect of any Note Document or otherwise, or protect, secure, perfect or ensure any Lien on any Collateral.

(b) Each Guarantor agrees and acknowledges that the Administrative Agent and each holder of any Guaranteed Obligations may demand payment of, enforce and recover from each Guarantor or any other Person obligated for any or all of such Guaranteed Obligations in any order and in any manner whatsoever, without any requirement that the Administrative Agent or such holder seek to recover from any particular Guarantor or other Person first or each Guarantor or other Persons *pro rata* or on any other basis.

Section 9.05 Subrogation. Upon any Guarantor making any payment under this Article IX, such Guarantor, as applicable, shall be subrogated to the rights of the payee against any Issuer with respect to such obligation; *provided* that no Guarantor shall enforce any payment by way of subrogation, indemnity, contribution or otherwise, or exercise any other right, against any other Note Party (or otherwise benefit from any payment or other transfer arising from any such right) so long as any obligations under the Note Documents (other than on-going but not yet incurred indemnity obligations) remain unpaid and/or unsatisfied.

Section 9.06 Acceleration. All amounts subject to acceleration under this Agreement shall be payable by the Guarantors hereunder immediately upon demand by the Administrative Agent.

Section 9.07 Limitation on Obligations Guaranteed. (a) Notwithstanding any other provision hereof (other than any guarantee or liability limitations specified to be applicable under this Article IX), the right of recovery against each Guarantor under this Article IX (Guarantee) hereof shall be limited to the maximum amount that can be guaranteed by such Guarantor without rendering such Guarantor's obligations under this Article IX (Guarantee) hereof void or voidable under applicable law, including, without limitation, the Uniform Fraudulent Conveyance Act, Uniform Fraudulent Transfer Act or any similar foreign, federal or state law, in each case after giving full effect to the liability under such guarantee set forth in this Article IX (Guarantee) hereof and its related contribution rights but before taking into account any liabilities under any other guarantee by such Guarantor. For purposes of the foregoing, all guarantees of such Guarantor other than the guarantee under this Article IX (Guarantee) hereof will be deemed to be enforceable and payable after the guaranty under this Article IX (Guarantee) hereof. To the fullest extent permitted by applicable law, thisSection 9.07(a) shall be for the benefit solely of creditors and representatives of creditors of each Guarantor and not for the benefit of such Guarantor or the holders of any Capital Stock in such Guarantor.

Each Guarantor agrees that Guaranteed Obligations may at any time and from time to time be incurred or permitted in an amount exceeding the maximum liability of such Guarantor under Section 9.07(a) without impairing the guarantee contained in this Article IX (Guarantee) or affecting the rights and remedies of any Secured Party hereunder.

(b) Notwithstanding anything to the contrary in thisArticle IX (Guarantee) and the other Note Documents:

(i) this guarantee and the obligations and liabilities of any French Guarantor in its capacity as a Guarantor under the Note Documents shall only apply insofar as required to guarantee the payment obligations under this Agreement of any Issuer up to an amount equal to the aggregate of all amounts made available pursuant to this Agreement to such Issuer and made available directly or indirectly (by way of intra-group loans or advances directly or indirectly by such Issuer through any other Gauzy Company) to that French Guarantor or its Subsidiaries and outstanding on the date on which a call is made under this Article IX (Guarantee) (the "Maximum Guaranteed Amount"); it being specified that any payment made by such French Guarantor under thisArticle IX (Guarantee) in respect of the obligations of such Issuer shall reduce pro tanto the outstanding amount of the intra-group loans or advances (if any) due by such French Guarantor to such Issuer under the intra-group loans or advances referred to above and by way of consequence shall reduce the Maximum Guaranteed Amount;

(ii) the obligations and liabilities of any French Guarantor under the Note Documents and in particular under thisArticle IX (Guarantee) shall not include any obligation or liability which, if incurred, would constitute a provision of financial assistance within the meaning of article L. 225-216 of the French Commercial Code and/or would constitute a misuse of corporate assets or corporate credit within the meaning of articles L. 242-6, L. 241.3 or L. 244-1 of the French Commercial Code or any other law or regulation having the same effect;

(iii) The obligations of any French Guarantor under this agreement will not extend beyond a point where they would infringe article L.511-7 3° of the French Monetary Code;

(iv) no French Guarantor shall be considered as jointly and severally liable with the other Note Parties as to its obligations pursuant to the guarantee given under this Article IX (Guarantee); and

(v) each French Guarantor only (x) gives representations and warranties relating to it and, where so provided for, its Subsidiaries and (y) undertakes only in relation to itself and, where so provided for, its Subsidiaries.

Section 9.08 Guarantee Limitations for a German GmbH or GmbH & Co. KG

(a) The Secured Parties agree not to enforce any guarantee and/or indemnity under this Article IX or any other Note Document granted by a Guarantor incorporated in Germany (a "German Guarantor") in the form of a limited liability company (*GmbH*) or established in Germany as a partnership with limited liability with a German limited liability company as general partner (*GmbH & Co. KG*) (a "GmbH & Co. KG") if and to the extent that:

(i) such guarantee and/or indemnity is for the obligations or liabilities of:

(A) a Subsidiary that is not a direct or indirect subsidiary of that German Guarantor; or

(B) a direct or indirect subsidiary of that German Guarantor if and to the extent such obligations or liabilities (including guarantees) secure obligations or liabilities of a Subsidiary that is not a direct or indirect subsidiary of that German Guarantor

(an "Up-Stream or Cross-Stream Guarantee"); and

(ii) the German Guarantor demonstrates pursuant to paragraph (b) below that the enforcement otherwise had the effect of:

(A) reducing the net assets (*Reinvermögen*) (calculated in accordance with the accounting principles as consistently applied and the jurisprudence from time to time of the German Federal Supreme Court (*Bundesgerichtshof*) relating to the protection of liable capital under Sections 30 and 31 GmbHG (as amended from time to time)) (the "Net Assets") of that German Guarantor (or, in the case of a GmbH & Co. KG, its general partner) to an amount which is less than the amount required to maintain its stated share capital (*Stammkapital*); or

(B) increasing an existing shortage of its (or, in the case of a GmbH & Co. KG, its general partner's) stated share capital,

provided that, for the purposes of the calculation of the enforceable amount (if any):

(I) the amount of any increase of the stated share capital (*Stammkapital*) of that German Guarantor (or, in the case of a GmbH & Co. KG, of its general partner) after the date of this Agreement (or, as the case may be, after the date on which it becomes a Note Party) shall be deducted from the stated share capital (*Stammkapital*) unless the Administrative Agent has granted its prior written consent to such increase of the stated share capital;

(II) in case the stated share capital (*Stammkapital*) of that German Guarantor (or, in the case of a GmbH & Co. KG, of its general partner) is not fully paid in, the amount by which the stated share capital (*Stammkapital*) exceeds the amount of the share capital paid in shall be deducted from the stated share capital (*Stammkapital*);

(III) loans provided to such German Guarantor shall be disregarded if such loans are subordinated (for the benefit of its creditors in general) by contract or pursuant to Section 39 sub-section 1 no. 5 InsO; and

(IV) loans and other liabilities incurred by such German Guarantor (and/or, in the case of a GmbH & Co. KG, its general partner) in violation of the provisions of the Note Documents shall be disregarded.

(b) Subject to paragraph (d) below, the limitations set out in the preceding paragraph shall only apply if and to the extent that:

(i) within 10 Business Days following the making of a demand against a German Guarantor under the guarantee and/or indemnity that German Guarantor has confirmed in writing to the Administrative Agent:

(A) to what extent the guarantee and/or indemnity is an Up-stream or Cross-stream Guarantee; and

(B) the amount of such Up-stream or Cross-stream Guarantee which cannot be enforced as it would otherwise cause its (or, in the case of a GmbH & Co. KG, its general partner's) Net Assets to fall below its stated share capital or increase an existing shortage of its (or, in the case of a GmbH & Co. KG, its general partner's) stated share capital, taking into account the adjustments set out in paragraph (a) above) (setting out in reasonable detail to what extent the share capital would fall below the stated share capital or an increase of an existing shortage would occur, providing an up-to-date pro forma balance sheet and a statement if and to what extent a realization or other measures undertaken in accordance with the mitigation provisions set out in paragraph (e) below would not prevent such situation) (the "Management Determination");

the Management Determination shall be prepared as of the date of the Administrative Agent's demand as described above. The Secured Parties shall be entitled to enforce the guarantee in an amount which would, in accordance with the Management Determination, not cause the German Guarantor's Net Assets to fall below its stated share capital or increase an existing shortage of its stated share capital; and

(ii) if the Administrative Agent (acting on the instructions of the Purchasers) notifies the German Guarantor against which a demand under the guarantee and/or indemnity has been made that it disagrees with the Management Determination, within 20 Business Days following such notice the respective German Guarantor has provided the Administrative Agent with a determination by auditors of international standard and reputation (the "Auditor's Determination") appointed by the German Guarantor of the amount that would have been necessary on the date the demand under the guarantee was made to maintain its (or, in the case of a GmbH & Co. KG, its general partner's) stated share capital or to avoid the increase of an existing shortage of its (or, in the case of a GmbH & Co. KG, its general partner's) stated share capital. The Auditor's Determination shall be prepared in accordance with the accounting principles as consistently applied and shall include an up-to-date balance sheet of the German Guarantor (and, in the case of a GmbH & Co. KG, of its general partner) and shall contain further information (in reasonable detail) relating to the items to be adjusted pursuant to paragraph (a) above.

(c) If the Administrative Agent (acting on the instructions of the Secured Parties) disagrees with the Auditor's Determination, it shall notify the respective German Guarantor accordingly. The Secured Parties shall only be entitled to enforce the guarantee up to the amount which on the basis of the Auditor's Determination can be enforced in compliance with the limitations set out in paragraph (a)(ii) above. In relation to the amount which is disputed by the Administrative Agent (acting on the instructions of the Secured Parties), the Secured Parties shall be entitled to further pursue their claims under the guarantee and/or indemnity (if any) in court.

(d) If the guarantee was enforced without limitation because the Management Determination and/or the Auditor's Determination (as the case may be) was not delivered within the relevant time frame but is then subsequently delivered, the Secured Parties shall, upon written demand of the German Guarantor (such demand to be made no later than 3 months (Ausschlussfrist) after the enforcement of the guarantee granted by such German Guarantor), repay to the German Guarantor any amount received by them from the enforcement of the guarantee which is necessary to maintain the German Guarantor's (or, in the case of a GmbH & Co. KG, its general partner's) stated share capital or to avoid the increase of an existing shortage of its (or, in the case of a GmbH & Co. KG, its general partner's) stated share capital, calculated as of the date the demand under the guarantee was made and in accordance with paragraph (b) above.

(e) Where a German Guarantor claims in accordance with the provisions of paragraphs (b) and (d) above that the guarantee and/or indemnity granted hereunder can only be enforced in a limited amount, it shall within three months following the making of a demand against a German Guarantor under the guarantee and/or indemnity realize, to the extent lawful and at arm's length terms, any and all of its assets that are shown in its balance sheet with a book value (Buchwert) that is significantly lower than their market value to the extent such assets are not necessary for its business (nicht betriebsnotwendig). After the expiry of the earlier of (i) the expiry of such three months' period and (ii) the realization of such assets, the German Guarantor shall, within 3 Business Days, notify the Administrative Agent of the amount of the net proceeds from the sale and submit a statement with a new calculation of the amount of the Net Assets of the German Guarantor (and, in the case of a GmbH & Co. KG Guarantor, of its general partner) taking into account such proceeds. Such calculation shall, upon the Administrative Agent's request (acting reasonably), be confirmed by the relevant German Guarantor's auditor within a period of 20 Business Days following the request.

(f) The limitations set out in this Section 9.08 shall only apply:

(i) to the extent the relevant German Guarantor is not a party to a domination and/or profit and loss transfer agreement (*Beherrschungs- und/oder Gewinnabführungsvertrag*), unless the existence of such domination and/or profit and loss transfer agreement (*Beherrschungs- und/oder Gewinnabführungsvertrag*) does not lead to the inapplicability of Section 30 sub-section 1 sentence 1 GmbHG; and

(ii) if the each relevant German Guarantor have complied with their obligations pursuant to paragraphs (b) and (e) above; and

(iii) if and to the extent that they are necessary for the purposes of protecting the German Guarantor's directors from any liability under Sections 30, 43 GmbHG;

(iv) to the extent that the guarantee and/or indemnity does not relate to any funds or guarantees which have been on-lent to, or issued for, the benefit of that German Guarantor or any of its subsidiaries and such amounts on-lent or such guarantees have not been repaid or returned prior to a demand for payment being made under the guarantee and/or indemnity; and

(v) to the extent the relevant German Guarantor will not acquire a valuable consideration or recourse claim (*vollwertiger Gegenleistungs- oder Rückgewähranspruch*) against any of its direct or indirect shareholders at the time of the demand pursuant to paragraph (b) above.

(g) No reduction of the amount enforceable under a guarantee and/or indemnity in accordance with the above limitations will prejudice the rights of the Secured Parties to continue enforcing such guarantee and/or indemnity (subject always to the restrictions set out in Section 9.08 above at the time of such enforcement) until full and irrevocable satisfaction of the amounts owing under the guaranteed and/or indemnified claims.

ARTICLE X

MISCELLANEOUS

Section 10.01 Notices. Except as otherwise expressly provided herein or in any Note Document, all notices and other communications provided for hereunder or thereunder shall be (i) in writing (including email) and (ii) sent by email or overnight courier (if for inland delivery) or international courier (if for overseas delivery) to a party hereto at its address and contact number specified below, or at such other address and contact number as is designated by such party in a written notice to the other parties hereto:

(a) The Company and the Issuers:

Gauzy Ltd.
14 Hatehiya Street, Tel Aviv-Yafo, ISRAEL, 6816914
Attn: Eyal Peso, Meir Peleg
Email: Eyal@gauzy.com; Meir.Peleg@gauzy.com

(b) Administrative Agent and Collateral Agent:

Chutzpah Holdings, Ltd.
No 2, The Forum, Grenville Street
St-Helier, Jersey, JE1 4HH
Attn: Ana Ventura
Email: ana.ventura@stonehagefleming.com

(c) If to a Purchaser, to it at its address (or facsimile number) set forth herein or as notified in writing to the Company and the Administrative Agent.

All notices and communications shall be effective when received by the addressee thereof during business hours on a Business Day in such Person's location as indicated by such Person's address in clauses (a) to (c) above, or at such other address as is designated by such Person in a written notice to the other parties hereto.

Section 10.02 Waivers; Amendments.

(a) No Deemed Waivers; Remedies Cumulative. No failure or delay on the part of any Agent or any Purchaser in exercising any right, power or privilege hereunder or under any other Note Document and no course of dealing between any Note Party, or any of each Issuer's Affiliates, on the one hand, and any Agent or Purchaser on the other hand, shall impair any such right, power or privilege or operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or under any other Note Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or thereunder. The rights, powers and remedies herein or in any other Note Document expressly provided are cumulative and not exclusive of any rights, powers or remedies which any party thereto would otherwise have. No notice to or demand on any Issuer in any case shall entitle an Issuer to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of any Agent or any Purchaser to any other or further action in any circumstances without notice or demand.

(b) Amendments. No amendment or waiver of any provision of this Agreement or any other Note Document, and no consent to any departure by any Issuer shall be effective unless in writing signed by the Administrative Agent, the Required Purchasers and the Company; *provided* that (A) no amendment, waiver or consent shall, without the written consent of the relevant Agent, affect the rights or duties of such Agent under this Agreement or any other Note Document, (B) any separate fee agreement between Issuers and the Administrative Agent in its capacity as such or between Issuers and the Collateral Agent in its capacity as such may be amended or modified by such parties and (C) any waiver, amendment or consent that by its terms affects any Purchaser disproportionately adversely relative to other affected Purchasers shall require the consent of such Purchaser. Notwithstanding anything herein or in any other Note Document to the contrary, the Note Parties and the Agents may (but shall not be obligated to) amend or supplement any Security Document without the consent of any Purchaser to cure any ambiguity, defect or inconsistency which is not material, or to make any change that would provide any additional rights or benefits to the Purchasers.

Notwithstanding anything to the contrary in any Note Document, the Company, the Administrative Agent and the Collateral Agent may, without the need to obtain consent of any Purchaser, enter into an amendment to this Agreement and the other Note Documents to (i) correct or cure any ambiguities, errors, omissions, mistakes, inconsistencies or defects jointly identified by the Company and the Administrative Agent, (ii) to effect administrative changes of a technical or immaterial nature, or (iii) to fix incorrect cross-references or similar inaccuracies in this Agreement or the applicable Note Document.

(c) In connection with any proposed amendment, modification, waiver or termination (a "Proposed Change") requiring the consent of all Purchasers or all directly and adversely affected Purchasers, or if the consent of the Required Purchasers (or any specified majority in interest of the Notes) to such Proposed Change is obtained, but the consent to such Proposed Change of other Purchasers whose consent is required is not obtained (any such Purchaser whose consent is not obtained as described in this Section being referred to as a "Non-Consenting Purchaser"), then, the Issuers may, at its sole expense and effort, upon notice to such Non-Consenting Purchaser and the Administrative Agent, (x) repay all obligations of such Issuer owing to such Purchaser relating to the applicable Notes held by such Purchaser as of such termination date or (y) require such Non-Consenting Purchaser to assign and delegate all its interests, rights and obligations under this Agreement to any Person that shall assume such obligations, provided that (a) such Non-Consenting Purchaser shall have received payment of an amount equal to the outstanding principal of its Notes, accrued interest thereon, Accrued Interest, accrued fees and all other amounts payable to it hereunder from the Issuers or assignee (to the extent of such outstanding principal and accrued interest and fees) or the Issuers (in the case of all other amounts) and (b) in the case of clause (y) above, unless waived, such assignee shall have paid to the Administrative Agent the processing and recordation fee referred to in Section 10.04(b). Notwithstanding anything herein to the contrary, each party hereto agrees that any assignment pursuant to the terms of this Section may be effected pursuant to an Assignment and Assumption executed by the Company, the Administrative Agent and the assignee and that the Non-Consenting Purchaser making such assignment need not be a party thereto.

Section 10.03 Expenses; Indemnity; Etc.

(a) Costs and Expenses. Each Issuer agrees to pay or reimburse each of the Agents and the Purchasers for: (I) all reasonable and documented out-of-pocket costs and expenses, together with all amounts in respect of VAT if any, of the Agents and the Purchasers (including the reasonable fees and expenses of counsel to the Administrative Agent and the Collateral Agent and experts engaged by the Agents or the Purchasers from time to time, including any project or construction management consultants) in connection with (A) the negotiation, preparation, execution, delivery and performance of this Agreement and the other Note Documents and the extension of credit under this Agreement (whether or not the transaction contemplated hereby and thereby shall be consummated), (B) any amendment, modification or waiver of any of the terms of this Agreement or any other Note Documents) or (C) any matters described in Section 5.08; (II) all reasonable and documented out-of-pocket costs and expenses of the Purchasers (including payment of the fees provided for herein) and the Agents (including external counsels' fees and expenses and reasonable experts' fees and expenses) in connection with (A) any Default or Event of Default and any enforcement or collection proceedings resulting from such Default or Event of Default or in connection with the negotiation of any restructuring or "work-out" (whether or not consummated) of the obligations of the Gauzy Companies under this Agreement or any other Note Document and (B) the enforcement of this Section 10.03 or the preservation of their respective rights; and (III) all costs and expenses incurred in connection with any filing, registration, recording or perfection of any security interest contemplated by any Security Document or any other document referred to therein.

(b) Indemnification by Issuers. Each Note Party agrees to indemnify and hold harmless each of the Agents and the Purchasers and their affiliates and their respective directors, officers, employees, administrative agents, attorneys-in-fact and controlling persons (each, an "Indemnified Party") from and against any and all losses, claims, damages and liabilities, joint or several, to which such Indemnified Party may become subject and related to or arising out of any action, claim, litigation, investigation or other proceeding relating to a transaction contemplated by the Note Documents or the execution, delivery and performance of the Note Documents or any other document in any way relating to the Note Documents and the transactions contemplated by the Note Documents (including, for avoidance of doubt, any liabilities arising under or in connection with Environmental Law), and will reimburse any Indemnified Party for all reasonable and documented out-of-pocket expenses (including reasonable and documented out-of-pocket external counsel fees and expenses) as they are incurred in connection therewith, *provided* that (i) all Indemnified Parties shall be represented by a single Person designated by the Administrative Agent (at the direction of the Required Purchasers) and no Indemnified Party may bring claim or commence any proceedings in connection with this Section independently or other than through the representation of the Person so designated for all Indemnified Parties, taken as a whole, and (ii) legal fees shall be limited to the reasonable and documented or invoiced out-of-pocket fees, expenses, disbursements and other charges of a single firm of counsel for all Indemnified Parties, taken as a whole. Note Parties will not be liable under the foregoing indemnification provision to an Indemnified Party to the extent that any loss, claim, damage, liability or expense (x) is found in a final non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct or (y) is found in a final non-appealable judgment by a court of competent jurisdiction to have resulted from disputes among Indemnified Parties (other than any claims arising out of any act or omission on the part of any Gauzy Company or its respective Affiliates). Each Note Party also agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to it, or any of its security holders or creditors related to or arising out of the execution, delivery and performance of any Note Document or any other document in any way relating to the Note Documents or the other transactions contemplated by the Note Documents, except to the extent that any loss, claim, damage or liability is found to have resulted from such Indemnified Party's gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, non-appealable decision. To the extent permitted by Applicable Law, no Note Party shall assert and hereby waives, any claim against any Indemnified Party, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any Note Document or any agreement or instrument contemplated hereby, any Notes or the use of the proceeds thereof.

(c) Indemnification by Purchasers. To the extent that a Note Party fails to pay any amount required to be paid to any Agent, their affiliates or agents under Section 10.03(a) or Section 10.03(b), each Purchaser severally agrees to pay ratably in accordance with the aggregate principal amount of the Notes held by the Purchaser to such Agent, affiliate or agent such unpaid amount; *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against such Agent, affiliate or agent in its capacity as such.

(d) Settlements; Appearances in Actions. Each Note Party agrees that, without each Indemnified Party's prior written consent, it will not settle, compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding in respect of which indemnification could be sought by or on behalf of such Indemnified Party under this Section (whether or not any Indemnified Party is an actual or potential party to such claim, action or proceeding), unless such settlement, compromise or consent includes an unconditional release of such Indemnified Party from all liability arising out of such claim, action or proceeding. In the event that an Indemnified Party is requested or required to appear as a witness in any action brought by or on behalf of or against any Note Party or any Affiliate thereof in which such Indemnified Party is not named as a defendant, each Note Party agrees to reimburse such Indemnified Party for all reasonable expenses incurred by it in connection with such Indemnified Party's appearing and preparing to appear as such a witness, including the reasonable and documented out-of-pocket fees and disbursements of its external legal counsel. In the case of any claim brought against an Indemnified Party for which a Note Party may be responsible under this Section 10.03, the Agents and the Purchasers agree (at the expense of the Note Parties) to execute such instruments and documents and cooperate as reasonably requested by a Note Party in connection with a Note Party's defense, settlement or compromise of such claim, action or proceeding.

Section 10.04 Successors and Assigns.

(a) Assignments Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) the Note Parties may not assign or otherwise transfer, directly or indirectly, any of their respective rights or obligations hereunder or under any other Note Document without the prior written consent of each Purchaser (and any attempted assignment or transfer by such Note Party without such consent shall be null and void) and (ii) no Purchaser may assign or otherwise transfer, directly or indirectly, any of its rights or obligations hereunder except in accordance with this Section 10.04. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, and, to the extent expressly contemplated hereby, the Indemnified Parties referred to in Section 10.03(b), the Related Parties of the Administrative Agent appointed pursuant to Section 8.05 and the respective directors, officers, employees, agents and advisors of the Purchasers) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Purchasers. Any Purchaser may assign to one or more Approved Funds that is not a Disqualified Purchaser all or a portion of its rights and obligations under this Agreement (including all or a portion of its Note at the time owing to it); *provided* that:

(i) except in the case of an assignment to a Purchaser or an Affiliate thereof, the amount of the Notes of the assigning Purchaser subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $500,000 unless the Company and Administrative Agent otherwise consents;

(ii) except in the case of (A) an assignment to an Approved Affiliate, or (B) if an Event of Default has occurred and is continuing, the Company has given its prior written consent to such assignment, such consent not to be unreasonably withheld, conditioned or delayed; *provided* that such consent shall be deemed given if the Company has not responded to a written request for such consent within five (5) Business Days of the request;

(iii) except in the case of an assignment to a Chutzpah Entity, the Administrative Agent must give its prior written consent to such assignment, not to be unreasonably withheld, conditioned or delayed;

(iv) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Purchaser's rights and obligations under this Agreement and the other Note Documents (including all or a portion of the Notes owing to it), and provided that the assignee assumes the rights and obligations of a Purchaser, including representations by the assignee under Article IV-A and that it is not a Disqualified Purchaser;

(v) except in the case of an assignment to an Affiliate or an Approved Fund, the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; and

(vi) the assignee, if it shall not be a Purchaser, shall deliver to the Administrative Agent an Administrative Questionnaire.

Upon acceptance and recording pursuant to Section 10.04(d), from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party hereto and shall be deemed to have made as of such date of assignment the representations and warranties of the Purchasers set forth in Article IV.A hereof, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Purchaser under this Agreement, and the assigning Purchaser thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Purchaser's rights and obligations under this Agreement, such Purchaser shall cease to be a party hereto but shall continue to be entitled to the benefits of Section 2.10 and Section 2.11). Any assignment or transfer by a Purchaser of rights or obligations under this Agreement that does not comply with this Section 10.04(b) shall be treated for purposes of this Agreement as a sale by such Purchaser of a participation in such rights and obligations in accordance with Section 10.04(f).

(c) Maintenance of Register by the Administrative Agent. The Administrative Agent, acting for this purpose as an agent of the Issuers, shall maintain at one of its offices in New York City a copy of each Assignment and Assumption delivered to it and a register for the recordation of (i) the names and addresses of the Purchasers, (ii) principal amount (and stated interest) of the Notes from time to time and the amount of any Accrued Interest owing to each Purchaser pursuant to the terms hereof from time to time, and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of each Purchaser (the "Register"). The entries in the Register shall be prima facie evidence absent manifest error, and the Issuers, the Administrative Agent and the Purchasers shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Purchaser hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Issuers and any Purchaser, at any reasonable time and from time to time upon reasonable prior notice. The Administrative Agent shall give (i) the Issuers promptly upon request therefor, a complete and correct copy of the Register, and (ii) to any Purchaser promptly upon request therefor, a complete and correct copy of the names and addresses of all registered Purchasers.

(d) Effectiveness of Assignments. Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Purchaser and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Purchaser hereunder), the processing and recordation fee referred to in Section 10.04(b) and any written consent to such assignment required by Section 10.04(b), the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this Section 10.04(d).

(e) Limitations on Rights of Assignees. Any Note or Notes issued in exchange for any Note or upon transfer thereof shall carry the rights to payment of principal (including, without limitation, any capitalized interest) and unpaid interest which were carried by the Note so exchanged or transferred, so that neither gain nor loss of interest shall result from any such transfer or exchange. For the avoidance of doubt, an assignee Purchaser shall not be entitled to receive, and no Note Party shall incur or be required to reimburse an assignee Purchaser for, any greater payment under Section 2.10 or Section 2.11 than the assigning Purchaser would have been entitled to receive with respect to the interest assigned to such assignee (based on the circumstances existing at the time of the assignment).

(f) Participations. Any Purchaser may, with the consent of Issuers required by Section 10.04(b) had it been made by way of an assignment, but without the consent of the Administrative Agent, sell participations to one or more banks or other entities (other than a holding company investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person, a Disqualified Purchaser, or a Note Party or any Note Party's Affiliates or Subsidiaries) (a "Participant") in all or a portion of such Purchaser's rights and obligations under this Agreement and the other Note Documents (including all or a portion of the Notes owing to it); *provided* that (i) such Purchaser's obligations under this Agreement and the other Note Documents shall remain unchanged, (ii) such Purchaser shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Note Parties, the Administrative Agent and the other Purchasers shall continue to deal solely and directly with such Purchaser in connection with such Purchaser's rights and obligations under this Agreement and the other Note Documents. For the avoidance of doubt, each Purchaser shall be responsible for the indemnity under Section 10.03(b) with respect to any payments made by such Purchaser to its Participant(s). Any agreement or instrument pursuant to which a Purchaser sells such a participation shall provide that such Purchaser shall retain the sole right to enforce this Agreement and the other Note Documents and to approve any amendment, modification or waiver of any provision of this Agreement or any other Note Document; *provided* that, such agreement or instrument may provide that such Purchaser will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 10.02(b) that affects such Participant. Subject to Section 10.04(g), Issuers agree that each Participant shall be entitled to the benefits of Section 2.09, Section 2.10 (subject to the requirements and limitations therein) and Section 2.11 to the same extent as if it were a Purchaser and had acquired its interest by assignment pursuant to Section 10.04(b). Each Purchaser that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Issuers, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Notes or other obligations under the Note Documents held by it (the "Participant Register"); *provided* that no Purchaser shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Notes or its other obligations under any Note Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, Note, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations and Section 1.163-5(b) of the proposed United States Treasury Regulations (or any amended or successor version thereof). The entries in the Participant Register shall be conclusive absent manifest error, and such Purchaser shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(g) Limitations on Rights of Participants. A Participant shall not be entitled to receive any greater payment under Section 2.09 or Section 2.10 than the applicable Purchaser would have been entitled to receive with respect to the participation sold to such Participant, unless (i) the sale of the participation to such Participant is made with each Issuer's prior written consent, or (ii) such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation.

(h) Certain Pledges.

(i) Any Purchaser may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement in favor of an Approved Fund to secure obligations of such Purchaser, including any such pledge or assignment to a Federal Reserve Bank, the European Central Bank or any other central bank or similar monetary authority in the jurisdiction of such Purchaser, and this Section shall not apply to any such pledge or assignment of a security interest; *provided* that no such pledge or assignment of a security interest shall release a Purchaser from any of its obligations hereunder or substitute any such pledgee or assignee for such Purchaser as a party hereto; and *provided further* that any payment in respect of such pledge or assignment made by any Note Party to or for the account of the pledging or assigning Purchaser in accordance with the terms of this Agreement shall satisfy such Note Party's obligations hereunder in respect of such pledged or assigned Notes to the extent of such payment.

(ii) Notwithstanding any other provision of this Agreement, any Purchaser may, without informing, consulting with or obtaining the consent of any other party to the Note Documents and without formality under any Note Documents, assign by way of security, mortgage, charge or otherwise create security by any means over, its rights under any Note Document to secure the obligations of that Purchaser to any Person that would be a permitted assignee (without the consent of Issuers or any Agent) pursuant to Section 10.04(b).

(i) No Assignments to Company or Affiliates. Anything in this Section to the contrary notwithstanding, no Purchaser may assign or participate any interest in any Notes held by it hereunder to any Note Party or any Affiliate of the Company without the prior written consent of each other Purchaser.

Section 10.05 Survival. All covenants, agreements, representations and warranties made by the Note Parties herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Notes, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Purchaser may have had notice or knowledge of any Default or Event of Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Notes or any fee or any other amount payable under this Agreement is outstanding and unpaid. The provisions of Section 2.09, 2.10, 2.11, 10.03, 10.05, 10.12, 10.13, 10.14, 10.15 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Notes, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

Section 10.06 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Note Documents to which a Note Party is party constitute the entire contract between and among the parties relating to the subject matter hereof and thereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent

and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Delivery of an executed counterpart of a signature page to this Agreement by telecopy or scanned electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 10.07 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 10.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Purchaser is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held, and any other indebtedness at any time owing, by such Purchaser to or for the credit or the account of any Issuer against any of and all the obligations of any Issuer now or hereafter existing under this Agreement held by such Purchaser, irrespective of whether or not such Purchaser shall have made any demand under this Agreement and although such obligations may be unmatured or denominated in a currency other than Dollars. The applicable Purchaser shall notify the Issuer and the Administrative Agent of such setoff and application, provided that any failure to give or any delay in giving such notice shall not affect the validity of any such setoff and application hereunder. The rights of each Purchaser under this Section are in addition to other rights and remedies (including other rights of setoff) which such Purchaser may have.

Section 10.09 Governing Law; Jurisdiction; Etc.

(a) Governing Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT AND ANY DISPUTE OF CLAIMS ARISING IN CONNECTION THEREWITH SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) Submission to Jurisdiction; Consent to Service of Process. Any legal action or proceeding with respect to this Agreement or any other Note Document to which a Note Party is a party shall, except as provided in clause (d) below, and subject to the IIA Provision, be brought in the courts of the State of New York, or of the United States District Court for the Southern District of New York, in each case, seated in the County of New York and, by execution and delivery of this Agreement, each party hereto hereby irrevocably accepts for itself and in respect of its property, generally and unconditionally, the exclusive jurisdiction of the aforesaid courts. Each party hereto agrees that a judgment, after exhaustion of all available appeals, in any such action or proceeding shall be conclusive and binding upon it, and may be enforced in any other jurisdiction, including by a suit upon such judgment, a certified copy of which shall be conclusive evidence of the judgment. Each party hereto hereby further irrevocably consents to the service of process in any action or proceeding in such courts by the mailing thereof by any parties thereto by registered or certified mail, postage prepaid, to such party at the address specified for such party in Section 10.01 and agrees that such service of process is sufficient to confer personal jurisdiction over such party in any such court, and otherwise constitutes effective and binding service in every respect.

(c) Waiver of Venue. Each party hereto hereby irrevocably waives any objection that it may now have or hereafter have to the laying of the venue of any suit, action or proceeding arising out of or relating to the Business, this Agreement or any other Note Document to which it is a party brought in the Supreme Court of the State of New York or in the United States District Court for the Southern District of New York, in each case, seated in the County of New York and hereby further irrevocably waives any right to stay or dismiss any such suit, action or proceeding brought in any such court on the basis of having been brought in an inconvenient forum.

(d) Rights of the Secured Parties. Nothing in this Section 10.09 shall limit the right of the Secured Parties to refer any claim to enforce a judgment under this Agreement against a Note Party to any court of competent jurisdiction in any State or jurisdiction where any Collateral is located, nor shall the taking of proceedings by any Secured Party before the courts in one or more jurisdictions preclude the taking of proceedings in any other jurisdiction whether concurrently or not.

(e) WAIVER OF JURY TRIAL. EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ITS RESPECTIVE RIGHTS TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER THIS AGREEMENT OR ANY OTHER NOTE DOCUMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT OR ANY OTHER NOTE DOCUMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER FOUNDED IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE SIGNATORIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY. EACH PARTY TO THIS AGREEMENT ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS Section 10.09 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO OR ANY OF THE OTHER NOTE DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE NOTES MADE HEREUNDER.

(f) Waiver of Immunity. To the extent that a party has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution, sovereign immunity or otherwise) with respect to itself or its property, it hereby irrevocably waives such immunity, to the fullest extent permitted by law, in respect of its obligations under this Agreement and the other Note Documents.

Section 10.10 Acknowledgment Regarding Any Supported QFCs. To the extent that the Note Documents provide support, through a guarantee or otherwise, for Swap Agreements or any other agreement or instrument that is a QFC (such support, "QFC Credit Support" and each such QFC a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Note Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States).

(a) In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Note Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Note Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a defaulting Purchaser shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 10.10, the following terms have the following meanings:

(i) "BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such part.

(ii) "Covered Entity" means any of the following:

(A) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. §252.82(b);

(B) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. §47.3(b); or

(C) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. §382.2(b).

(iii) "Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

(iv) "QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

Section 10.11 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 10.12 Confidentiality. Each of the Agents and the Purchasers agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (i) to its and its Affiliates' directors, officers, employees, board members (and members of committees thereof), managers, agents, consultants, Persons providing administration and settlement services and other professional advisors, including accountants, auditors, legal counsel, investment advisers or managers (to the extent providing investment advice relating to the transactions contemplated by this Agreement) and other advisors, in each case, with a bona fide need to know (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (ii) to the extent requested by any applicable regulatory or supervisory body or authority (including, without limitation, the National Association of Insurance Commissioners, the SVO or any similar organization, and any nationally recognized rating agency that requires access to information about any Purchaser's investment portfolio), by Applicable Laws or regulations or by any subpoena, oral question posed at any deposition, interrogatory or similar legal process (including, for the avoidance of doubt, to the extent requested in connection with any pledge or assignment pursuant to Section 10.04(h)); *provided* that the party from whom disclosure is being required shall give notice thereof to the Company as soon as practicable (unless restricted from doing so and except where disclosure is to be made to a regulatory or supervisory body or authority during the ordinary course of its supervisory or regulatory function), (iii) to any other party to this Agreement, (iv) subject to an agreement containing provisions substantially the same as those of this Section 10.12, to any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (v) with the consent of the Company, (vi) to the extent such Information (A) becomes publicly available other than as a result of a breach of this Section 10.12 or (B) becomes available to any Agent or any Purchaser on a non-confidential basis from a source other than the Company other than as a result of a breach of this Section 10.12 or (vii) to any Person with whom the Company, an Agent or a Purchaser has entered into (or potentially may enter into), whether directly or indirectly, any transaction under which payments are to be made or may be made by reference to, one or more Note Documents and/or the Company or to any of such Person's Affiliates, representatives, agents or professional advisors. For the purposes of this Section 10.12, "Information" means all information received from the Note Parties relating to such Note Party's business or otherwise furnished pursuant to this Agreement or any other Note Document, other than any such information that is available to the Agents or any Purchaser on a non-confidential basis prior to disclosure by the Company. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Section 10.13 Interest Rate Limitation.

(a) It is the intention of the parties hereto that each Purchaser shall conform strictly to usury laws applicable to it. Accordingly, if the transactions contemplated hereby would be usurious as to any Purchaser under laws applicable to it (including the laws of the United States and the laws of any State whose laws may be mandatorily applicable to such Purchaser notwithstanding the other provisions of this Agreement), then, in that event, notwithstanding anything to the contrary in any of the Note Documents or any agreement entered into in connection with or as security for the Notes, it is agreed as follows: (i) the aggregate of all consideration which constitutes interest under law applicable to any Purchaser that is contracted for, taken, reserved, charged or received by such Purchaser under any of the Note Documents or agreements or otherwise in connection with the Notes shall under no circumstances exceed the maximum amount allowed by such applicable law, and any excess shall be canceled automatically and if theretofore paid shall be credited by such Purchaser on the principal amount of the Notes (or, to the extent that the principal amount of the Notes shall have been or would thereby be paid in full, refunded by such Purchaser to the relevant Issuer); and (ii) in the event that the maturity of the Notes is accelerated by reason of an election of the holder thereof resulting from any Event of Default under this Agreement or otherwise, or in the event of any required or permitted prepayment, then such consideration that constitutes interest under law applicable to any Purchaser may never include more than the maximum amount allowed by such applicable law, and excess interest, if any, provided for in this Agreement or otherwise shall be canceled automatically by such Purchaser as of the date of such acceleration or prepayment and, if theretofore paid, shall be credited by such Purchaser on the principal amount of the Notes (or, to the extent that the principal amount of the Notes shall have been or would thereby be paid in full, refunded by such Purchaser to the relevant Issuer). All sums paid or agreed to be paid to any Purchaser for the use, forbearance or detention of sums due hereunder shall, to the extent permitted by law applicable to such Purchaser, be amortized, prorated, allocated and spread throughout the stated term of Notes until payment in full so that the rate or amount of interest on account of any Note hereunder does not exceed the maximum amount allowed by such applicable law.

(b) If at any time and from time to time (i) the amount of interest payable to any Purchaser on any date shall be computed at the Highest Lawful Rate applicable to such Purchaser pursuant to this Section 10.13 and (ii) in respect of any subsequent interest computation period the amount of interest otherwise payable to such Purchaser would be less than the amount of interest payable to such Purchaser computed at the Highest Lawful Rate applicable to such Purchaser, then the amount of interest payable to such Purchaser in respect of such subsequent interest computation period shall continue to be computed at the Highest Lawful Rate applicable to such Purchaser until the total amount of interest payable to such Purchaser shall equal the total amount of interest which would have been payable to such Purchaser if the total amount of interest had been computed without giving effect to this Section 10.13.

Section 10.14 No Third Party Beneficiaries. The agreement of the Purchasers to purchase the Notes from the relevant Issuer on the terms and conditions set forth in this Agreement, is solely for the benefit of the Note Parties, the Agents and the Purchasers, and no other Person (including any contractor, subcontractor, supplier, workman, carrier, warehouseman or materialman furnishing labor, supplies, goods or services to or for the benefit of Issuers) shall have any rights under this Agreement or under any other Note Document as against the Agents or any Purchaser or with respect to any extension of credit contemplated by this Agreement.

Section 10.15 Reinstatement. The obligations of the Issuers under this Agreement shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Issuer in respect of the Obligations is rescinded or must be otherwise restored by any holder of any of the Obligations, whether as a result of any proceedings in Bankruptcy or reorganization or otherwise, and each Issuer agrees that it will indemnify each Secured Party on demand for all reasonable costs and expenses (including fees of external counsel) incurred by such Secured Party in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any Bankruptcy, insolvency or similar law.

Section 10.16 Release of Collateral.

(a) Notwithstanding anything to the contrary contained herein or in any other Note Document, upon the Discharge of Obligations (as defined in the Security Agreement), upon request of the Company, the Collateral Agent and Administrative Agent shall (without notice to, or vote or consent of, any Purchaser) each take such actions as shall be required to release its security interest in all Collateral, and to release all guarantee obligations provided for in any Note Document. Any such release of guarantee obligations shall be deemed subject to the provision that such guarantee obligations shall be reinstated if after such release any portion of any payment in respect of the Obligations guaranteed thereby shall be rescinded or must otherwise be restored or returned upon any proceedings in Bankruptcy or reorganization or otherwise, all as though such payment had not been made.

(b) Notwithstanding anything to the contrary contained herein or any other Note Document, in connection with a sale or Disposition of property (including Capital Stock in any Person) permitted by this Agreement (i) the Lien encumbering such property shall be automatically released and (ii) upon request of the Company, the Collateral Agent and Administrative Agent shall each (without notice to, or vote or consent of, any Purchaser and at the sole cost and expense of the Company) take such actions as shall be required to release its security interest in such property.

Section 10.17 USA PATRIOT Act. Each Purchaser hereby notifies the Note Parties that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "USA PATRIOT Act"), it is required to obtain, verify and record information that identifies such Note Party, which information includes the name and address of such Note Party and other information that will allow such Purchaser to identify such Note Party in accordance with the USA PATRIOT Act.

Section 10.18 Electronic Execution of Assignments and Certain Other Documents. The words "execution," "execute", "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby (including without limitation Assignment and Assumptions, Notice of Issuances, amendments, waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 10.19 IIA Provision. The Parties hereby acknowledge that any Liens in any IIA-Funded Know-How, to the extent applicable, and the realization thereof is subject to the Israeli R&D Law. In addition, the Parties hereby acknowledge that (a) the grant of a Lien on any IIA-Funded Know-How will require and will be subject to the approval of the IIA and to the execution and delivery by the Collateral Agent, on behalf of itself and the other Secured Parties, of the IIA Undertaking and (b) any realization of a Lien on IIA-Funded Know-How, including the sale, assignment or license of the IIA-Funded Know-How and its transfer in the context of realization procedures under the Note Documents will require and be subject to the approval of the IIA and to the conditions of the IIA Approval and of the Israeli R&D Law. This paragraph is referred to herein as the "IIA Provision." The Secured Parties hereby authorize the Collateral Agent to take, or refrain from taking, any actions or to enter into any necessary undertakings or agreements on behalf of the Secured Parties that the Collateral Agent shall determine in its sole discretion are necessary to comply with the IIA Provision or any other requirements of the IIA with respect to IIA-Funded Know-How and any ancillary or related property.

Section 10.20 Equitably Subordinated Parties. In this Section 10.20:

"Equitably Subordinated Party" means any Secured Party whose commitments in relation to the Obligations, any other participation rights (including by way of subparticipation) or any other rights and claims under the Note Documents against a Note Party or a security grantor incorporated or established under the laws of Germany which, prior to or in an insolvency of such Note Party or security grantor, would be subordinated or could be subject to potential avoidance claims pursuant to section 39 para. 1 no. 5, section 39 para. 2 or section 135 of the German Insolvency Code (Insolvenzordnung) or section 6 of the German Avoidance Act (Anfechtungsgesetz).

"Equitably Subordinated Liabilities" means the Obligations owed to an Equitably Subordinated Party.

(a) To the extent that the recoveries held by the Administrative Agent are insufficient to discharge the Obligations owed to all the creditors in any priority class and this is due to any Equitably Subordinated Party being part of that class of creditors, the amount to be applied by the Administrative Agent in discharge of the liabilities of that class of creditors shall be distributed to the other creditors of that class and the Equitably Subordinated Party shall not be entitled to receive any part of that amount.

(b) An Equitably Subordinated Party shall not have the benefit, but only the obligations, of any sharing provisions under the Note Documents and shall not be entitled to receive any payment, and the Administrative Agent shall not be required to make any payment to the Equitably Subordinated Party, under or in connection with the Note Documents in respect of any Equitably Subordinated Liabilities.

(c) To the extent that any Equitably Subordinated Liabilities would result in the subordination of the Obligations towards any (other) Secured Party under any Note Document pursuant to section 39 para. 1 no. 5 of the German Insolvency Code (Insolvenzordnung) or prejudice the validity or enforceability of any Collateral or guarantee and/or indemnity provided to any creditor pursuant to the Note Documents in any way the relevant Equitably Subordinated Party shall be deemed not to be a Secured Party under any Security Document and shall not benefit from the guarantee and/or indemnity.

(d) Each Equitably Subordinated Party agrees that to the extent and for so long as its Commitment, participation or sub-participation or other agreement or arrangement relating to a Commitment, including following the assignment of a Commitment, could result in the subordination of claims of any other Secured Party pursuant to any law regarding the subordination of shareholder loans or prejudice or adversely affect the Collateral or guarantee and indemnity under this Agreement (or their enforceability) in any way, the relevant Equitably Subordinated Party shall not be a secured or guaranteed party (however described) under and for the purposes of any Note Document and no amount owing to it under any Note Document shall be secured by the Security Documents (unless the subordination ceases to apply or subsequently or at the same time applies to the Secured Parties generally (other than where such subordination of the Secured Parties generally is caused by an assignment of a Commitment by a Equitably Subordinated Party)).

ARTICLE XI

COMPANY AS ISSUER REPRESENTATIVE

Section 11.01 Appointment; Nature of Relationship. The Company is hereby appointed by each Issuer as its contractual representative hereunder and under each other Note Document, and each of the Issuers irrevocably authorizes the Company to act as the contractual representative of such Issuer with the rights and duties expressly set forth herein and in the other Note Documents. The Company agrees to act as such contractual representative upon the express conditions contained in this Article XI. The Administrative Agent and the Purchasers, and their respective officers, directors, agents or employees, shall not be liable to the Company or any Issuer for any action taken or omitted to be taken by the Company or the Issuers pursuant to this Section 11.01.

Section 11.02 Powers. The Company shall have and may exercise such powers under the Note Documents as are specifically delegated to the Company by the terms of each thereof, together with such powers as are reasonably incidental thereto. The Company shall have no implied duties to the Issuers, or any obligation to the Purchasers to take any action thereunder except any action specifically provided by the Note Documents to be taken by the Company.

Section 11.03 Employment of Agents. The Company may execute any of its duties as the Company hereunder and under any other Note Document by or through authorized officers.

Section 11.04 Notices. Each Issuer shall immediately notify the Company of the occurrence of any Default or Event of Default hereunder, refer to this Agreement, describe such Default or Event of Default, and state that such notice is a "notice of default". In the event that the Company receives such a notice, the Company shall give prompt notice thereof to the Administrative Agent and the Purchasers. Any notice provided to the Company hereunder shall constitute notice to each Issuer on the date received by the Company.

Section 11.05 Successor Company. Upon the prior written consent of the Administrative Agent, the Company may resign at any time, such resignation to be effective upon the appointment of a successor Company. The Administrative Agent shall give prompt written notice of such resignation to the Purchasers.

Section 11.06 Execution of Note Documents. The Issuers hereby empower and authorize the Company, on behalf of the Issuers, to execute and deliver to the Administrative Agent and the Purchasers the Note Documents and all related agreements, certificates, documents, or instruments as shall be necessary or appropriate to effect the purposes of the Note Documents. Each Issuer agrees that any action taken by the Company or the Issuers in accordance with the terms of this Agreement or the other Note Documents, and the exercise by the Company of its powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Issuers.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

GAUZY LTD., as the Company and Guarantor

By: /s/ Eyal Peso
Name: Eyal Peso
Title: CEO

VISION LITE SAS, as French Issuer and Guarantor

By: /s/ Eyal Peso
Name: Eyal Peso
Title: CEO

GAUZY USA, INC., as Guarantor

By: /s/ Eyal Peso
Name: Eyal Peso
Title: CEO

GAUZY GMBH, as Guarantor

By: /s/ Eyal Peso
Name: Eyal Peso
Title: CEO

CHUTZPAH HOLDINGS, LTD.,
as Administrative Agent and Collateral Agent

By: /s/ Ana Ventura
Name: Ana Ventura
Title: Director

/s/ Laura Perkins
Laura Perkins
Director

Beaumont (Directors) Limited
Corporate Director

CHUTZPAH HOLDINGS, LTD.,
as a Purchaser

By: /s/ Beaumont (Directors) Limited
Name: Beaumont (Directors) Limited
Title: Corporate Director

Annex I

Commitments

Purchaser	Commitment
Chutzpah Holdings Ltd.	$ 60,000,000

Annex II

Drawdown Schedule ((for period until March 31, 2024)

(all amounts in US$)

	8.11.2023	1.12.2023	1.1.2024	1.2.204	1.3.2024
Credit line					
Total	16,000,000	3,750,000	7,250,000	2,000,000	1,000,000
Total accumulated	16,000,000	19,750,000	27,000,000	29,000,000	30,000,000

Exhibit A - Form of French Senior Secured Note

THIS NOTE HAS NOT BEEN REGISTERED PURSUANT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR QUALIFIED PURSUANT TO ANY APPLICABLE STATE SECURITIES LAW. THIS NOTE MAY BE RESOLD ONLY IF REGISTERED PURSUANT TO THE PROVISIONS OF THE SECURITIES ACT AND QUALIFIED PURSUANT TO APPLICABLE STATE SECURITIES LAWS OR IF AN EXEMPTION FROM SUCH REGISTRATION AND QUALIFICATION IS AVAILABLE, EXCEPT UNDER CIRCUMSTANCES WHERE NEITHER SUCH REGISTRATION, QUALIFICATION OR EXEMPTION IS REQUIRED BY LAW.

EXHIBIT A

[FORM OF] SECURED SENIOR NOTE

$_____[1]

_____, 20__

FOR VALUE RECEIVED, [VISION LITE SAS, a French *société par actions simplifée*] (the "Issuer"), promises to pay to [Chutzpah Holdings, Ltd.] ("Payee") the principal amount of _____[12] ($[_____]).[2] The principal amount of this Note shall be payable as set forth in Sections 2.05 of the Note Purchase Agreement referred to below.

The Issuer also promises to pay interest on the unpaid principal amount hereof, until paid in full (and before as well as after judgment), and fees, at the rates and at the times determined in accordance with the provisions of that certain Note Purchase Agreement, dated as of November 8, 2023 (as amended, restated, amended and restated, refinanced, replaced, extended, supplemented or otherwise modified from time to time, the "Agreement," the terms defined therein and not otherwise defined herein being used herein as therein defined), by and among [the Issuer], [the Company], the other Note Parties and the Payee (as Purchaser, and as Administrative Agent and Collateral Agent).

The obligations of the Issuer hereunder, whether on account of principal, interest or otherwise, are joint and several.

All payments of principal and interest in respect of this Note shall be made in accordance with the terms of the Agreement. Unless and until an Assignment and Assumption effecting the assignment or transfer of the obligations evidenced hereby shall have been accepted by the Administrative Agent and recorded in the Register as provided in the Agreement, the Issuer and the Administrative Agent shall be entitled to deem and treat Payee as the owner and holder of this Note. Payee hereby agrees, by its acceptance hereof, that before disposing of this Note or any part hereof it will make a notation hereon of all principal payments previously made hereunder and of the date to which interest hereon has been paid; provided, however, that the failure to make a notation of any payment made on this Note shall not limit or otherwise affect the obligations of the Issuer hereunder with respect to payments of principal of or interest on this Note.

1 Insert aggregate principal amount of Notes issued to Purchaser in numbers.
2 Insert aggregate principal amount of Notes issued to Purchaser in words.

Whenever any payment on this Note shall be stated to be due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day.

This Note is subject to mandatory prepayment as provided in the Agreement and to prepayment at the option of the Issuer as provided in the Agreement.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF TO THE EXTENT SUCH PRINCIPLES WOULD CAUSE THE APPLICATION OF THE LAW OF ANOTHER STATE.

This Note is entitled to the benefits of the Guaranty and is secured by the Collateral.

Upon the occurrence and during the continuance of any Event of Default under the Agreement, and without prejudice to any applicable standstill or subordination terms, the balance of the principal amount of this Note, together with all accrued and unpaid interest thereon, may become, or may be declared to be, due and payable in the manner, upon the conditions and with the effect provided in the Agreement.

The terms of this Note are subject to amendment only in the manner provided in the Agreement.

This Note is subject to restrictions on transfer or assignment as provided in the Agreement.

No provision of this Note shall alter or impair the obligations of the Issuer to pay the principal and interest on the obligations evidenced by this Note at the place, at the respective times, and in the currency prescribed herein and in the Agreement, pursuant to the terms of the Agreement subject to any applicable standstill or subordination terms.

Each party now and hereafter liable with respect to this Note, whether maker, principal, surety, guarantor, indorser or otherwise, hereby waives diligence, presentment, protest, demand and notice of every kind and, to the full extent permitted by law, the right to plead any statute of limitations as a defense to any demand hereunder.

[Signature Page Follows]

IN WITNESS WHEREOF, the Issuer have caused this Note to be duly executed and delivered by its officer thereunto duly authorized as of the date and at the place first written above.

[VISION LITE SAS],

By: _____
Name:
Title:

Exhibit B - Form of Notice of Issuance

NOTICE OF ISSUANCE

[DATE]

Chutzpah Holdings Ltd.,
as Administrative Agent for the Purchasers
party to the Note Purchase Agreement referred to below
No 2, The Forum, Grenville Street
St-Helier, Jersey, JE1 4HH
Attention: Ana Ventura
Email: ana.ventura@stonehagefleming.com

Ladies and Gentlemen:

Reference is made to the Note Purchase Agreement, dated November 8, 2023 (as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, including any replacement agreement therefor, the "Agreement"), by and among the undersigned, the Company (as defined therein), the other Note Parties party thereto from time to time, the Purchasers (as defined therein), Chutzpah Holdings, Ltd., as administrative agent and as collateral agent for the Secured Parties (in such capacity, together with its successors and assigns, the "Agent").

The undersigned hereby gives you notice pursuant to Section 2.02 of the Agreement that the undersigned hereby requests to issue Notes under the Agreement, and in connection therewith sets forth below the information relating to such proposed issuance of Notes as required by Section 2.02 of the Agreement. All capitalized terms used but not defined herein have the same meanings herein as set forth in the Agreement.

The proposed Closing Date for the proposed issuance is [_____].

The Notes are [French Senior Secured Notes], with an aggregate principal amount of $[_____].

The purchase price of the proposed Notes is $[_____]. [***NTD: if more than one Purchaser, please provide breakdown of purchase price payable by each Purchaser***]

The purchase price of the proposed Notes are to be disbursed as follows:

[*specify wire instructions for delivery of the purchase price*].

The undersigned certifies as of the date of this notice and as of the date the proposed Notes are issued that the conditions set forth in Section 4.02 of the Agreement have been satisfied (or waived by the Administrative Agent and the Purchasers in accordance with the Agreement).

[SIGNATURE PAGES FOLLOW]

Very truly yours,

VISION LITE SAS, as French Issuer and Guarantor

By: _____
Name:
Title:

Exhibit 10.18

Dated 8 November 2023

DEBENTURE

FLOATING AND FIXED CHARGE
(for an unlimited amount)

Made by

GAUZY LTD
as Chargor

in favour of

CHUTZPAH HOLDINGS LTD
as Collateral Agent

TABLE OF CONTENTS

THIS DEBENTURE (the "**Debenture**") is made on 8 November 2023

BY:

(1) **GAUZY LTD.**, a private company limited in shares incorporated under the laws of the State of Israel registered with the Israeli Registrar of Companies under number 514335967, having its registered office at 14 Hatchiya St., Tel Aviv, Israel 6816914, Israel (the "**Chargor**");

IN FAVOUR OF:

(2) **Chutzpah Holdings LTD.**, in its capacity as collateral agent for the Purchasers (as defined below) (the "**Collateral Agent**").

WHEREAS:

(A) Pursuant to that Note Purchase Agreement, the Purchasers have agreed to extend a certain credit facility to the Issuers (as defined in the Note Purchase Agreement), to be utilized by the Issuers by way of issuance and sale of Notes (as defined in the Note Purchase Agreement) to the Purchasers in accordance with the Note Purchase Agreement (as defined below); and

(B) In order to secure the full and punctual payment when due of the Secured Obligations (as defined below), the Chargor has agreed to create second ranking floating charge and fixed charges over the Charged Assets (as defined below) in favour of the Collateral Agent, for the ratable benefit of the Secured Parties, in accordance with and subject to the terms of this Debenture;

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 **Definitions**

In this Debenture:

"**Charge**" means the charge created under this Debenture.

"**Charged Assets**" means all assets, rights and property, the subject of any security created or purported to be created pursuant to Clause 2 (*Security*)), excluding any Excluded Assets (as defined below), provided that, solely with respect to the floating charge created hereunder, the Excluded Assets shall cease to be excluded from the floating charge on the earlier of:

(a) such time as the consent for creation of Lien over such Intellectual Property Assets is received from the Israel Innovation Authority;

(b) such time as the written confirmation that no consent under (a) above is required, is received from the Israel Innovation Authority.

"**Event of Default**" has the meaning given to such term in the Note Purchase Agreement.

"**Excluded Assets**" means any of the Intellectual Property Assets of the Chargor that were developed, in whole or in part, with funding received under grants of the Israel Innovation Authority.

"**Israeli Insolvency Law**" means the Israeli Insolvency and Economic Rehabilitation Law, 2018.

"**Intellectual Property Assets**" shall mean property constituting a patent, copyright, trademark (or any application in respect of the foregoing), service mark, copyright, copyright application, trade name, mask work, trade secret, design right, assumed name or license or other right to use any of the foregoing under applicable law.

"**Issuers**" has the meaning given to such term in the Note Purchase Agreement.

"**Lien**" has the meaning given to such term in the Note Purchase Agreement.

"**Note Documents**" has the meaning given to such term in the Note Purchase Agreement.

"**Note Parties**" has the meaning given to such term in the Note Purchase Agreement.

"**Note Purchase Agreement**" means the Note Purchase Agreement dated November 8, 2023, (and as may be amended, restated, amended and restated, supplemented or otherwise modified from time to time) among, *inter alios*, the Chargor, Vision Lite SAS, the Collateral Agent and the Purchasers (each as defined therein).

"**Pledge Law**" means the Israeli Pledges Law, 5727-1967 and the regulations promulgated thereunder, as amended from time to time.

"**Purchasers**" shall mean each person that has executed and delivered the Note Purchase Agreement as a "Purchaser" and such person's permitted successors and assigns in accordance with the Note Purchase Agreement.

"**Receiver**" means any receiver, receiver and manager, manager, administrator, trustee, special manager or bailee appointed on the application of the Collateral Agent by a court of law or any other duly authorised legal or administrative authority, in connection with this Debenture and/or the Charged Assets, including where such appointment is made on a temporary basis.

"**Secured Obligations**" means all obligations owing by the Issuers to the Secured Parties under the Note Purchase Agreement.

"**Secured Parties**" means the Purchasers, the Agents, and the successors and permitted assigns of each of the foregoing in accordance with the Note Purchase Agreement.

"**Security Period**" means the period beginning on the date of this Debenture and ending on the date upon which: (i) the Note Purchase Agreement has terminated pursuant to its express terms and (ii) all of the Secured Obligations have been paid in full.

1.2 **Defined Terms**

Unless a contrary indication appears, a term used in this Debenture and not defined herein shall have the meaning given to such term in the Note Purchase Agreement. The Chargor acknowledges that it has received a copy of the executed Note Purchase Agreement for the purposes of understanding the definitions set out in this Debenture.

1.3 **Construction**

(a) Unless a contrary indication appears, any reference in this Debenture to:

(i) the "**Collateral Agent**", the "**Lender**" or any "**Party**" shall be construed so as to include its successors in title, permitted assigns and permitted transferees;

(ii) "**assets**" includes present and future properties, revenues and rights of every description;

(iii) "**including**" and "**includes**" means, including, without limiting the generality of any description preceding such terms;

(iv) a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, partnership or other entity of whatever nature (whether or not having separate legal personality);

(v) a "**regulation**" includes any regulation, rule, official directive, or guideline of any governmental authority;

(vi) a "**law**" includes any Israeli or other foreign statute, law, regulation, treaty, rule, official directive, guideline or determination of any governmental body, including any interpretation of any of the foregoing by any governmental body, provided, with respect to any official directive, guideline or interpretation (in each case whether or not having the force of law);

(vii) a provision of law is a reference to that provision as amended or re-enacted;

(viii) the Debenture, the Note Purchase Agreement (including references to any term, definition or provision of the Note Purchase Agreement) or any other document includes any amendment, supplement, amendment and restatement, change in the purpose of, any refinancing, extension of or any increase in the amount of a facility or any additional facility; and

(ix) in relation to any person, any reference to insolvency, bankruptcy, liquidation, receivership, administration, reorganization, dissolution, winding-up, relief of debtors, or similar proceedings hereunder shall also include proceedings under the laws of the jurisdiction in which a company or corporation is incorporated or any jurisdiction in which a company or corporation carries on business, including an order relating to: (i) liquidation, winding-up, dissolution, administration or an arrangement ("*Hesder*") with creditors, as such terms are determined under the Israeli Companies Law, 1999 and the Israeli Insolvency Law; (ii) the appointment of a receiver or trustee ("*baal tafkid*"), as such term is understood under the Israeli Insolvency Law; (iii) a reorganization order, freeze order, stay of proceedings order ("*Ikuv Halichim*") (or other similar remedy), relief of debtors, an order for commencing proceedings ("*Tzav le-Ptichat Halichim*"); or (iv) the recognition of a foreign proceeding with respect to an insolvency of a company ("*Hakara be Halich Zar*"), as such term is understood under the Israeli Insolvency Law.

(b) The preamble and schedules to this Debenture form an integral part hereof.

(c) Section, Clause and Schedule headings are for ease of reference only.

2. SECURITY

2.1 **Creation of Security**

As continuing security for the full and punctual payment and performance when due pursuant to the terms of the Note Purchase Agreement (whether at stated maturity, acceleration or otherwise) of the Secured Obligations in an unlimited amount, the Chargor hereby absolutely and unconditionally charges and pledges in favour of the Collateral Agent, for the benefit of the Secured Parties:

(a) by way of second ranking fixed charge and pledge and assignment by way of charge:

(i) the authorized share capital of the Company and its reputation;

(ii) (1) 3,431,015 ordinary shares of Vision Lite SAS, a private company incorporated in the French Republic, constituting 100% of its issued and outstanding share capital; (2) 1 share, EU 25,000 par value each of Gauzy GmbH, a private company incorporated in the Federal Republic of Germany, constituting 100% of its issued and outstanding share capital; (3) 1,000 ordinary shares, $1 par value each of Gauzy USA Inc., a private company incorporated in Delaware, USA, constituting 100% of its issued and outstanding share capital; (4) 1,838,824 ordinary shares, $0.0001 par value each of Research Frontiers Incorporated, a company incorporated in Delaware, USA, including all the rights attached to such shares, and including the right to participate in any dividend distribution and/or any other distribution, bonus shares, and/or rights issued or granted by virtue of such shares, and any other right attached to, or deriving from, any applicable law, the incorporation documents of the Company, or agreement, in relation to said shares;

(iii) All of the shareholders loans extended, or will be extended in the future, by the Chargor to any company controlled by it, and any and all other rights to receive funds from any company controlled by it;

(iv) All of the Chargor's rights under the loan agreement dated 27.7.2021, and an additional agreement between the Chargor and Vision Lite SAS, and under the Receivables Pledge Agreement, Pledge of Securities Account Agreement, and the Bank Account(s) Pledge Agreement;

(v) All of the Chargor's rights under the SPD Film, Emulsion and End-Product License Agreement, dated 30.9.2017, between the Chargor and Research Frontiers Incorporated;

(vi) The Chargor's fixed assets, as detailed in **Schedule 1** to this Debenture;

(vii) The Chargor's intellectual property, as detailed in Annex **Schedule 2** to this Debenture;

(b) by way of second ranking floating charge and pledge and assignment by way of charge, all of the Chargor's undertaking, assets, monies, property and rights of any type or nature, both present and future and including anything deriving therefrom (including, but not limited to, deriving from insurance policies procured by the Company); and

(c) by way of second ranking fixed charge and pledge and assignment by way of charge, all of the rights of the Chargor: (i) to any exemption, relief, discount, setoff and deduction that can diminish or reduce the Tax rate or the Tax liability of the Chargor, to the extent that the Chargor is entitled to any of the foregoing on the realization date of the charge created hereunder; and (ii) to apply or set off any losses, including the right of the Chargor to use or offset losses deriving from the realization of the charge created hereunder or the Charged Assets; and (iii) to choose whether to use such exemption, relief, discount, set-off, withholding or any similar right, in each case, provided that such rights derive from the sale of the Charged Assets, and to the extent not included in the foregoing, all present and future rights to compensation, indemnity, insurance proceeds, warranty or guaranty accruing to the Chargor by reason of the loss of, damage to or expropriation of, or any other event or circumstance with respect to, such Charged Assets and any and all proceeds, products and benefits deriving from such Charged Assets, including, without limitation, those received upon the sale or other disposition of such Charged Assets and any property into which such Charged Assets are converted, whether cash or non-cash.

2.2 **Perfection**

In order to secure the rights of the Collateral Agent in respect of the Charged Assets, the Chargor hereby undertakes:

(a) on the date hereof sign and deliver to the Collateral Agent the following documents:

(i) a copy of this Debenture, duly executed by the Chargor; and

(ii) a copy of a notice of charges form (Form #10) with respect to this Debenture, duly executed by an authorized officer of the Chargor.

(b) promptly following a request of the Collateral Agent, to deliver to the Collateral Agent originals of all of the copy documents delivered under Clause 2.2(a)(i);

(c) as soon as practicable after completion of the registration of this Debenture at the Israeli Companies Registrar, to deliver to the Collateral Agent an excerpt from a search against the Chargor at the Israeli Companies Registrar, demonstrating to the full satisfaction of the Collateral Agent, that the relevant filing, submission and registration of this Debenture with the Israeli Companies Registrar has been completed and evidencing that there are no outstanding Liens over its assets, save as permitted under the Note Purchase Agreement; and

(d) promptly following the request of the Collateral Agent, to sign all documents and to carry out all other filings, submissions or registrations required with respect thereto under any law or regulations applicable to the Chargor, and to take all steps, in each case as the Collateral Agent may reasonably require including executing and/or delivering to the Collateral Agent any additional and/or new pledge or amendment of, or supplement to, this Debenture with respect to the Charge or the Charged Assets and any other documents as the Collateral Agent shall reasonably require, in each case, which are necessary or desirable (i) for the purposes of filing and registering the Charge with the Israeli Companies Registrar, and (ii) so that the Charge created hereunder or pursuant hereto shall be valid and binding against a liquidator and other creditors of the Chargor or attaching parties.

(e) As soon as practicable after receipt of the consent for creation of Lien over the Intellectual Property Assets is received from the Israel Innovation Authority, and subject to the delivery by the Collateral Agent of an executed undertaking in the form prescribed by the Israeli Innovation Authority, the Parties will take all actions and execute any documents required for the amendment of this Debenture, for the inclusion of the Excluded Assets in the Charged Assets.

3. RELEASE OF THE SECURITY

After the end of the Security Period or as otherwise contemplated by the Note Documents, the Collateral Agent shall, at the written request and cost of the Chargor, execute and deliver all such documents and/or notices and do all such other things as may be necessary or desirable to release the Charge created under this Debenture, in each case without recourse to or any representation or warranty by or from the Collateral Agent.

4. PRESERVATION OF SECURITY

4.1 **Continuing Security**

The Chargor hereby declares and agrees that:

(a) the Debenture shall remain in force as continuing security for the payment and discharge of the Secured Obligations and shall remain in force and subject to Clause 4.3 (*Avoidance of Payments*), shall be released and discharged only in accordance with the Note Documents upon the expiration of the Security Period;

(b) the Collateral Agent will not be bound to enforce any of the other Liens or Collateral created under the Note Purchase Agreement or the other Note Documents before enforcing this Debenture; and

(c) neither the liability of the Chargor nor the rights of the Collateral Agent under this Debenture will be affected, prejudiced, or waived by any act, event, omission, or matter which, whether or not known to the Chargor or the Secured Parties but for this provision would release or prejudice any of such liability and rights in whole or in part except as provided in the Note Purchase Agreement.

4.2 **Liability of the Chargor**

(a) The Chargor will remain liable to observe and perform all of the conditions and obligations under the Note Documents relating to or constituting, as applicable, the Secured Obligations or the Charged Assets and the Collateral Agent will not be under any obligation or liability with respect to the Charged Assets by reason of, or arising out of, this Debenture. The Collateral Agent will not be required in any manner to perform or fulfil any of the obligations of the Chargor in respect of the Secured Obligations or the Charged Assets, or to make any payment, or to make any enquiry as to the nature or sufficiency of any payment received by it, or to present or file any claim or take any action or to collect any amount or enforce any right or remedy hereunder.

(b) The exercise by the Collateral Agent of any of the rights or remedies hereunder shall not release the Chargor from any of its liabilities or obligations under the Note Purchase Agreement or the Note Documents; for the avoidance of doubt, the application of the Charged Assets to satisfy part of the Secured Obligations shall not release the Chargor from its obligations to pay and perform the remaining Secured Obligations in full.

4.3 **Avoidance of Payments**

Where any release, discharge or other arrangement in respect of any Secured Obligations or any security interest the Secured Parties may have for such Secured Obligations is given or made in reliance on any payment or other disposition which is avoided, set aside or must be and is repaid, whether in an insolvency, liquidation or similar proceeding, this Debenture shall continue as if such release, discharge or other arrangement had not been given or made.

5. REPRESENTATIONS AND WARRANTIES

The Chargor makes the following representations and warranties on the date of this Debenture and acknowledges that the Collateral Agent has entered into this Debenture for the ratable benefit of the Secured Parties in reliance on those representations and warranties.

5.1 **Binding Secured Obligations**

The obligations expressed to be assumed by it in this Debenture are legal and valid obligations binding on and enforceable against it in accordance with the terms of this Debenture, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganisation, moratorium, or similar laws relating to or limiting creditors' rights generally.

5.2 **Second Ranking Security Interests**

Subject to the due filing and registration of this Debenture at the Israeli Companies Registrar, this Debenture creates those security interests it purports to create ranking as set out above and, to the best of the Chargor's knowledge, is not liable to be avoided or otherwise set aside on the winding-up of the Chargor or otherwise.

5.3 **No Filing**

It is not necessary, including for the creation and perfection of this Debenture, that this Debenture be filed, recorded or enrolled with any court or other governmental body, in any jurisdiction, or that any stamp, registration or similar tax be paid on or in relation to this Debenture, other than the registration of the Charge with the Israeli Companies Registrar, pursuant to Chapter 8 of the Companies Ordinance [New Version], 1983.

6. UNDERTAKINGS

6.1 **Undertakings**

The Chargor undertakes to the Collateral Agent for the benefit of the Secured Parties:

(a) not to create any Lien over, or permit the creation of, any Lien, in any manner, over the Charged Assets, except as permitted under the Note Documents;

(b) not to sell, assign, transfer or otherwise dispose of any of the Charged Assets and not to grant any right therein, except as permitted under the Note Documents;

(c) to defend the Charged Assets against, and to take, at its expense, any action necessary by the Collateral Agent to remove any Lien (other than Liens created by or pursuant to the Note Documents or Liens permitted by the terms of the Note Purchase Agreement) over any of the Charged Assets, and to defend the rights and interest of the Lender in and to the Charged Assets against the claims of any other persons; and

(d) to provide the Collateral Agent with information as it may reasonably require relating to the Charged Assets.

6.2 **Notification**

The Chargor undertakes to notify the Collateral Agent in writing promptly upon it becoming aware but in any event not later than five (5) Business Days after a responsible officer of the Chargor obtaining knowledge of:

(a) any claim of right to any Lien to which this Debenture is applicable and any other material adverse claim directly relating to the Charged Assets and/or of any material execution or injunction proceedings or other steps taken to attach, preserve or realise any of the Charged Assets; and take at its own expense promptly and without delay, all such measures as are required for discharging such claim; and

(b) the levying of any attachment on the Charged Assets, in which case it shall notify the attaching party of this Debenture in favour of the Collateral Agent and take at its own expense immediately and without delay all such measures as are required for discharging such attachment.

6.3 **Acknowledgement**

The Chargor hereby acknowledges that it shall not have any rights under section 13(b) of the Pledge Law, section 42 of the Contracts Law (General Part), 1973 or any other statutory provisions in substitution therefor, except as in accordance with the provisions of the Note Purchase Agreement.

6.4 **Duration**

The undertakings hereunder shall remain in force until the expiration of the Security Period.

7. ENFORCEMENT

7.1 **Conversion of Floating Charge**

(a) Conversion by Notice

(i) The Collateral Agent may convert the floating charge created under Clause 2 (Security) of this Debenture into a fixed charge by notice in writing to the Chargor specifying the relevant Charged Assets (either generally or specifically) (the "**Conversion Notice**") if an Event of Default has occurred and is continuing.

(ii) Upon the issuance of a Conversion Notice, the Chargor will, at its own expense, execute a mortgage, charge, pledge or assignment by way of charge (as the case may be) of such Charged Asset in favour of the Collateral Agent and in such form as the Collateral Agent acting reasonably may require.

(iii) Any Conversion Notice given by, or on behalf of the Collateral Agent shall not be construed as a waiver or abandonment of the Agent's right to give any other notice in respect of any other asset or of any other right under this Debenture, the Note Purchase Agreement or any Note Document.

(b) Automatic Conversion

The floating charge created under Clause 2 of this Debenture shall automatically be converted into a fixed charge (without notice) over the Charged Assets:

(i) upon the occurrence of an Event of Default under Section 7.01(f) of the Note Purchase Agreement which is continuing (disregarding any cure period); or

(ii) where such conversion has occurred by operation of law.

7.2 **Collateral Agent's Powers**

If an Event of Default has occurred and is continuing:

(a) the Collateral Agent shall be entitled to take all steps as it sees fit to collect the total amount outstanding under the Secured Obligations by any means not prohibited by applicable law, exercise any or all of its rights, remedies, powers or discretions under this Debenture in any manner or order it sees fit in its absolute discretion (unless prohibited by applicable law), including, the realization and/or sale of the Charged Assets, in whole or in part, whether by an appointment or application to the competent court or the execution office or any other duly authorised legal or administrative authority for appointment of a Receiver (as set out in Clause 7.3 (*Appointment of Receiver*)) and/or by any other method permitted under the Pledge Law or under applicable law;

(b) to the extent permitted by applicable law, all or any of the powers, authorities and discretions which are conferred by this Debenture (either expressly or impliedly) upon a Receiver may be exercised by the Collateral Agent without first appointing a Receiver or notwithstanding the appointment of a Receiver;

(c) without derogating from (a) or (b) above, the Collateral Agent shall be entitled, in any proceedings concerning the liquidation, bankruptcy, judicial management, winding up or receivership (or similar proceedings) of the Chargor, to (i) demand, claim, collect and enforce and prove the Secured Obligations and give acquittance thereunder; (ii) file any claims and proofs, give receipts and take all such proceedings and do all such things as the Collateral Agent sees fit to recover the Secured Obligations; and (iii) receive all distributions on and payments with respect to the Secured Obligations; and

(d) the Collateral Agent shall have all powers that it may, in its full discretion, determine to be desirable or necessary to preserve its rights with respect to the Charged Assets and the security interests created hereby and to take all such steps for such purpose, at the Chargor's expense.

(e) The creation and realization under this Debenture of any Excluded Assets shall be made in accordance with the Law for the Encouragement of Research and Development in the Industry – 1984, as may be amended from time to time, and in accordance with any consent for the creation of security over any Excluded Assets issued by the Israeli Innovation Authority.

7.3 **Appointment of Receiver**

(a) The Receiver shall have all powers conferred by applicable law. The Chargor alone shall be responsible for the Receiver's remuneration. In no event shall the Collateral Agent be responsible for the acts and omissions of the Receiver or for the Receiver's remuneration. Subject to applicable law, the Receiver shall be empowered and shall act, *inter alia*:

(i) to take possession of any of the Charged Assets;

(ii) to apply to any court of competent authority or the execution office or any other duly authorised legal or administrative authority for an order to vest in the Collateral Agent all of the Chargor's rights, title and interest in and to the Charged Assets or any part thereof absolutely;

(iii) to sell, call in, collect and convert into money or otherwise realise all or any part of the Charged Assets with all such powers in that respect as are conferred by applicable law;

(iv) to sell or agree to the sale of the Charged Assets, in whole or in part, to dispose of same or agree to dispose of same in such other manner on such terms as he deems fit and to execute all documents required to effect such sale or disposition;

(v) to make such other arrangement regarding the Charged Assets or any part thereof as he deems fit;

(vi) to settle, arrange, compromise or submit to arbitration any accounts, claims, questions or disputes whatsoever which may arise in connection with the Charged Assets in or in any way relating to this Debenture and execute releases or other discharges in relation thereto;

(vii) to bring, take, defend, compromise, submit to arbitration or discontinue any actions, suits or proceedings whatsoever, civil or criminal, in relation to the Charged Assets;

(viii) to act on behalf of the Chargor and in its name to perform all obligations and receive all the benefits in relation to or in connection with the Charged Assets;

(ix) to manage and employ the Charged Assets for such terms, and generally in such manner and upon such conditions and stipulations as the Receiver (or the Collateral Agent, as appropriate) shall think fit;

(x) to exercise any of the rights in connection with the Charged Assets in the same manner in which the Chargor was entitled to exercise such right, in accordance with the terms of section 20 of the Pledge Law;

(xi) to use the Chargor's name for registration and to effect any necessary election for tax or other purposes;

(xii) to employ accountants, lawyers and other advisers; and

(xiii) to execute and do all such acts, deeds and things as the Collateral Agent may consider necessary or proper for or in relation to any of the purposes aforesaid or permitted under applicable law.

(b) Should the payment date of the Secured Obligations or any part thereof not yet have fallen due at the time of the sale of the Charged Assets, or the Secured Obligations be due to the Collateral Agent or Receiver on a contingent basis only, then the Collateral Agent or Receiver shall be entitled to recover out of the proceeds of the sale an amount sufficient to cover the Secured Obligations (or such part thereof) and the amount so recovered and yet to be appropriated to the discharge of the amounts due shall be charged to the Collateral Agent or Receiver as security for, and be held by the Collateral Agent or Receiver until the discharge in full of, the Secured Obligations.

7.4 **Purchasers of the Charged Assets**

To the extent permitted by applicable law:

(a) no purchaser from, or other person dealing with, the Collateral Agent and/or the Receiver shall be required to enquire whether any of the powers which they have exercised or purported to exercise has arisen or become exercisable, or whether the Secured Obligations remain outstanding, or whether any event, condition or circumstance has occurred to authorise the Collateral Agent and/or the Receiver to act or as to the propriety or validity of the exercise or purported exercise of any such power; and the title of such a purchaser and the position of such a person shall not be impeachable by reference to any of those matters; and

(b) the receipt of the Collateral Agent or the Receiver of any monies paid to them by any person shall be an absolute and a conclusive discharge to a purchaser and shall relieve him of any obligation to see to the application of any moneys paid to or by the direction of the Collateral Agent or the Receiver.

8. SET-OFF AND OTHER RIGHTS

(a) The provisions of Section 10.08 (*Right of Setoff*) of the Note Purchase Agreement is hereby incorporated by reference.

(b) The Collateral Agent shall not be obliged to exercise any of its rights under Clause8(a), and those rights shall be without prejudice to any right of set-off, combination of accounts, security or other rights or remedies to which the Collateral Agent is entitled under any applicable law, the Note Purchase Agreement or any Note Document.

9. DISTRIBUTION OF PROCEEDS

All moneys and other assets arising from the exercise of the powers of the Receiver or the Collateral Agent hereunder, or otherwise received by the Collateral Agent from the realisation of any Charged Asset, shall be applied in accordance with the terms of the Note Purchase Agreement.

10. FURTHER ACTION

(a) The Chargor shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Collateral Agent may reasonably specify (and in such form as the Collateral Agent may reasonably require in favour of the Collateral Agent or any of its nominees):

(i) to perfect the Charge created or intended to be created under or evidenced by the Debenture or for the exercise of any rights, powers and remedies of the Collateral Agent or the Secured Parties provided by or pursuant to the Debenture or by law; and/or

(ii) to facilitate the realisation of the Charged Assets.

(b) The Chargor shall take all such action as is available to it (including making all filings, recordings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of Charge conferred or intended to be conferred on the Collateral Agent or the Secured Parties by or pursuant to the Debenture.

11. POWER OF ATTORNEY

The Chargor hereby irrevocably appoints the Collateral Agent, each Receiver and any of its delegates or sub-delegates to be its attorney to take, at any time (i) after the occurrence of an Event of Default that is continuing, or (ii) if the Chargor has failed to comply with Clause 2.2 (*Perfection*) of this Debenture within 2 Business Days of being notified of that failure and being requested to comply, any action which the Chargor is obliged to take under this Debenture. The Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 11 and in accordance with the terms of the Note Documents.

12. PROTECTION OF THE COLLATERAL AGENT

(a) The Collateral Agent, or any of its respective agents, managers, officers, employees, delegates, or advisers shall not be liable for any claim, demand, liability, loss, damage, cost or expense which arises out of the exercise or the attempted or purported exercise or the failure to exercise any of its respective rights, powers and discretions under this Debenture in the absence of gross negligence or wilful misconduct by the Collateral Agent (as determined by a final, non-appealable judgment in a court of competent jurisdiction);

(b) None of the Collateral Agent, the Receiver, or any of their respective agents, managers, officers, employees, delegates, or advisers shall be under any duty to exercise any of their respective rights, powers and discretions under this Debenture; and

(c) To the extent permitted by applicable law, the Chargor hereby waives any requirements with respect to notice, form or the terms of the exercise by the Collateral Agent, the Receiver, or any of their respective agents, managers, officers, employees, delegates, or advisers of their respective rights, powers and discretions under this Debenture, except as expressly provided otherwise herein, the Note Purchase Agreement or in any Note Document.

13. THIRD PARTY CHARGE

(a) The Collateral Agent shall not be obliged, before claiming from the Chargor under this Charge and/or enforcing the security constituted by this Charge and/or before exercising any of the rights, power and remedies conferred upon the Collateral Agent by the Chargor by this Charge or by law, and the Chargor hereby irrevocably and unconditionally waives any right it may have or first requiring the Collateral Agent before enforcing the security constituted by this Charge and/or claiming from the Chargor under this Charge, and/or before exercising any such rights, powers or remedies:

(i) to make any demand of any of the Issuers, any Guarantor or any other person;

(ii) to take any action or obtain judgment in any court or any other duly authorised legal or administrative authority against any of the Issuers, any Guarantor or any other person;

(iii) to make or file any claim or proof in a winding-up, bankruptcy, dissolution, moratorium, freeze order proceeding or other insolvency proceeding of the Issuers, any Guarantor or any other Person; or

(iv) to proceed against or to enforce or seek to enforce any other rights or security taken in respect of any of the obligations of the Issuers, under the Note Purchase Agreement or any other Note Document.

(b) Until all the Secured Obligations have been irrevocably paid and discharged in full the Chargor shall not, and hereby waives any right to, by virtue of any payment made, security realised or moneys received under this Charge for or on account of the liability of any other person (including the Issuers):

(i) be subrogated to or otherwise take the benefit of (whether in whole or in part) any rights, security or moneys held, received or receivable by the Collateral Agent from time to time or be entitled to any right of contribution or indemnity;

(ii) claim, rank, prove or vote as a creditor of any such other person or its estate in competition with the Collateral Agent;

(iii) receive, claim or have the benefit of any payment, distribution or security from or on account of any other person or exercise any right of set-off as against any other person.

The Chargor will hold in trust for the Collateral Agent and forthwith pay or transfer to the Collateral Agent any payment or distribution or benefit of security received by it contrary to the above. If the Chargor exercises any right or set-off contrary to the above, it will forthwith pay an amount equal to the amount of any such set-off to the Collateral Agent.

(c) Without derogating from any right under the Note Purchase Agreement, any Note Document and/or any other agreement between the Note Parties and/or the Chargor and the Collateral Agent, the Collateral Agent may at all times at its sole discretion, without prejudice to this Charge and without discharging or in any way affecting the liability of the Chargor hereunder and without need for consent of, or notice to, the Chargor:

(i) increase, renew, reduce, terminate and amend in any other manner, any loan, overdraft, credit or any other financial services granted or which shall be granted under the Note Purchase Agreement or any other Note Document;

(ii) grant extensions of time or other indulgence to the Issuers or any other Note Party in respect thereof;

(iii) compromise, waive or settle in any manner whatsoever with the Issuers, with any other Note Party (including any person who pledged any asset with respect to any of the obligations of the Issuers) or with any other person;

(iv) amend or vary, or agree to amend or vary, the conditions of, and exchange, renew, release, modify or abstain from perfecting or enforcing any collateral or guarantees which the Collateral Agent may now or hereafter hold to secure the repayment of the Secured Obligations.

(d) The Chargor agrees that the doing of any of the above acts or omissions by the Collateral Agent will not give the Chargor any right to vary or cancel this Charge.

(e) This Debenture is in addition to, independent of, and is not in any way prejudiced by, any other guarantee or security now or hereafter held by the Collateral Agent in respect of any of the Secured Obligations, and shall not be harmed further to or as a result of the fact that the Collateral Agent did not receive any further pledge, collateral or guarantees or further to or as a result of the invalidity, defect, flaw or deficiency in any of the collateral, pledge or guarantees as security for the repayment of the Secured Obligations or any part thereof or further to or as a result from a claim of prescription, lack of legal capacity or lack of authority of the Issuers (or of any other person).

(f) The Chargor shall not be entitled to claim the benefit of or share in any other collateral or guarantees which the Collateral Agent may now or hereafter hold from the Issuers, from any other Note Party or from any other person as collateral for the Secured Obligations or to claim that transfer or assignment of any such other collateral or guarantees.

(g) Without derogating from any other provisions of this Debenture, the Chargor hereby irrevocably waives all rights and defences that may be available to it under sections 4(b)-(c), 5(b)-(c), 6, 7(b), 8, 9, 11, 12, 13, 15 and 17 of the Israeli Guarantee Law,1967 (the "**Guarantee Law**"), and confirms that sections 4(b)-(c), 5(b)-(c), 6, 7(b), 8, 9, 11, 12, 13, 15 and 17 of the Guarantee Law affording such rights or defences to a guarantor shall not apply to this Debenture.

14. ASSIGNMENT AND TRANSFER

14.1 **The Chargor**

(a) The Chargor may not assign or transfer any of its rights or obligations under this Debenture without the prior consent of the Collateral Agent (acting on the instructions of all Purchasers).

14.2 **The Secured Parties**

(a) The Collateral Agent may assign or transfer its rights under this Debenture in accordance with the provisions of the Note Purchase Agreement.

(b) References to the Collateral Agent in this Debenture include any successor Collateral Agent duly appointed under the Note Purchase Agreement.

15. COSTS AND EXPENSES

The Chargor agrees to pay or reimburse the Collateral Agent and each other Secured Party as set forth in Section 9.03 (*Expenses; Limitation of Liability; Indemnity; Damage Waiver*) of the Note Purchase Agreement, which is hereby incorporated by reference.

16. INDEMNITY

The Chargor agrees to indemnify the Collateral Agent and the Secured Parties as set forth in Section 10.03 (*Expenses; Indemnity; Etc.*) of the Note Purchase Agreement, which is hereby incorporated by reference.

17. AMENDMENTS

No amendment to this Debenture shall be valid unless made in writing in accordance with the terms of the Note Purchase Agreement.

18. NOTICES

Each communication (including each notice, consent, approval, request and demand) under or in connection with this document must be given in accordance with Section 10.01 (*Notices*) of the Note Purchase Agreement.

19. THIRD PARTY BENEFICIARIES

Nothing in this Debenture shall create or confer upon any person or entity, other than the parties hereto or their respective successors and permitted assigns, any rights, remedies, obligations or liabilities, except as expressly provided herein.

20. GOVERNING LAW AND JURISDICTION

20.1 **Governing Law**

This Debenture is governed by the laws of the State of Israel.

20.2 **Jurisdiction**

The courts of Tel-Aviv-Jaffa have exclusive jurisdiction to hear and determine any dispute arising out of or in connection with this Debenture (including a dispute regarding the existence, validity or termination of this Debenture) and no other court shall have jurisdiction. Notwithstanding anything in the foregoing to the contrary, the Collateral Agent may bring any action or proceeding relating to this Debenture against the Chargor or its properties in the courts of any jurisdiction.

21. INDEPENDENCE OF CHARGE

Any obligation, commitment or restriction contained herein shall be in addition to and not derogate or limit any obligation, commitment or restriction of the Chargor set out in the Note Purchase Agreement and the Note Documents.

22. WAIVERS AND REMEDIES CUMULATIVE

(a) The rights, powers and remedies of the parties under this Debenture:

(i) may be exercised as often as necessary;

(ii) are cumulative and not exclusive of each of such person's rights, powers and remedies under the applicable law or which each person would otherwise have; and

(iii) may be waived only in writing and specifically.

(b) No course of dealing between the Chargor and the Collateral Agent, nor any delay in exercising or non-exercise of any right, power or privilege of the Collateral Agent shall operate as a waiver of any such right, power or privilege of the Collateral Agent, nor shall a single or partial exercise of any right, power or privilege under this Debenture preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder. No notice to or demand on the Chargor in any case shall entitle it to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Collateral Agent to any other or further action in any circumstances without notice or demand.

(c) The rights and remedies of the Collateral Agent under this Debenture or under any applicable law, may be pursued separately, successively or concurrently against the Chargor or any Charged Asset, at the discretion of the Collateral Agent, in accordance with the Note Purchase Agreement and the Note Documents.

23. ENTIRE AGREEMENT

This Debenture (and solely with respect to matters referencing the Note Purchase Agreement or a Note Document together with such Note Purchase Agreement and the Note Document) contains the entire understanding of the parties with respect to its subject matter and all prior negotiations, discussions, agreements, commitments and understandings between them with respect thereto not expressly contained herein shall be null and void in their entirety, effective immediately with no further action required.

24. SEVERABILITY

Any provision of this Debenture that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

25. SURVIVAL

All indemnities and expense reimbursement obligations set forth in this Debenture shall survive the execution and delivery of the Note Purchase Agreement and each Note Document, any cancellation or termination of any Commitment, the termination of the Note Purchase Agreement or any Note Document and any transfer of the rights and

obligations of the Collateral Agent under the Note Purchase Agreement or any Note Document or any Charged Asset until all applicable statute of limitations periods with respect to actions that may be brought against the Collateral Agent have lapsed.

26. COUNTERPARTS

This Debenture may be executed in two or more counterparts each of which shall be deemed an original but all of which constitute one and the same instrument.

[*Signature pages follow*]

IN WITNESS WHEREOF this Debenture has been executed by the parties, on the day and year first above written.

THE CHARGOR

GAUZY LTD

By:	/s/ Eyal Peso	/s/ Meir Peleg
Name:	Eyal Peso	Meir Peleg
Title:	CEO	CFO

[*Signature page of the Israeli Floating Charge Debenture*]

THE COLLATERAL AGENT

CHUTZPAH HOLDINGS LTD

By:	/s/ Ana Ventura	/s/ Laura Perkins
Name:	Ana Ventura (Director)	Laura Perkins (Director)
Title:	Director	Director

For: Beaumont Directors Limited
Sole Corporate Director

[*Signature page of the Israeli Floating and Fixed Charge Debenture*]

SCHEDULE 1
FIXED ASSETS

[Add list]

[*Schedule 1 of the Israeli Floating Charge Debenture*]

SCHEDULE 2
INTELLECTUAL PROPERTY

[Add list]

[*Schedule 2 of the Israeli Floating and Fixed Charge Debenture*]

Exhibit 10.19

GAUZY LTD.
WARRANT TO PURCHASE PREFERRED SHARES

November 8, 2023

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR QUALIFIED UNDER ANY STATE OR FOREIGN SECURITIES LAW, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR HYPOTHECATED UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT COVERING THIS WARRANT AND/OR SUCH SECURITIES, OR THE HOLDER RECEIVES AN OPINION OF COUNSEL FOR THE HOLDER OF THE WARRANT AND/OR SUCH SECURITIES SATISFACTORY TO THE COMPANY STATING THAT SUCH SALE, TRANSFER, ASSIGNMENT OR HYPOTHECATION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF THE SECURITIES ACT AND THE QUALIFICATION REQUIREMENTS UNDER APPLICABLE STATE OR FOREIGN LAW.

This Certifies That, for value received, **Chutzpah Holdings Ltd.** (the "**Holder**") is entitled to subscribe for and purchase at the Exercise Price (as defined below) from **Gauzy Ltd.**, a company incorporated and existing under the laws of the State of Israel having its principal offices at the 14 Hatchiya St., Tel-Aviv, Israel 6816914 (the "**Company**") the Warrant Shares (as defined below).

1. **Definitions**. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in that certain Note Purchase Agreement by and between the Company, Vision Lite SAS, certain Purchasers (as such term is defined in the Note Purchase Agreement) and the Holder (amongst others), dated as of November 8, 2023 (the "**Agreement**"). In addition, as used herein, the following terms shall have the following respective meanings:

   "**Articles**" shall mean the Amended and Restated Articles of Association of the Company, as amended from time to time.

   "**Deemed Liquidation**" shall have the meaning as ascribed to it in the Articles.

   "**Exercise Date**" shall mean the date of exercise of this Warrant.

   "**Exercise Period**" shall mean a period commencing as of the date hereof and ending on the Maturity Date.

   "**Exercise Price**" shall mean an exercise price per Warrant Share equal to (a) if a Qualified IPO is completed on or prior to March 31, 2024, the price per share for each share of the Company issued at a Qualified IPO; and otherwise, (b) the price of such share as implied by the latest 409A valuation of the Company or by a valuation of the shares of the Company by an independent third party appraiser appointed by the Company.

   "**Exercised Shares**" shall mean those Warrant Shares issued by the Company to the Holder pursuant to any exercise of this Warrant from time to time.

   "**Maturity Date**" shall have the meaning ascribed to it in the Agreement.

   "**Permitted Transferee**" shall have the meaning ascribed to it in the Articles.

   "**Preferred Shares**" shall have the meaning ascribed to it in the Articles.

   "**Preferred D-5 Shares**" shall have the meaning ascribed to it in the Articles.

   "**Qualified IPO**" shall have the meaning ascribed to it in the Agreement.

   "**Warrant**" means this Warrant to Purchase Preferred Shares.

   "**Warrant Factor**" shall mean, a fraction the numerator of which is the aggregate principal amount of all Notes issued to the Holder (as Purchaser or a permitted assignee of a Purchaser) pursuant to the Agreement, and the denominator of which is the Commitment of that Purchaser on the Effective Date.

   "**Warrant Shares**" shall mean 156,323 Preferred D-5 Shares to be issued to the Holder, representing 5% of the Company's share capital on a fully diluted basis as of the Effective Date, which shall vest and be exercisable in accordance with the provisions of this Warrant.

2. **Vesting and Exercisability of Warrant.**

   (a) This Warrant and the Warrant Shares to be issued in relation therewith, shall vest and be exercisable by the Holder only in accordance with the provisions below:

      (i) Vesting. On any day, the number of Warrant Shares that shall be vested and be exercisable shall be equal to the product of (x) the Warrant Factor; and (b) the Warrant Shares.

      (ii) Partial Exercise. In the event the Holder exercises this Warrant for part, but not all, of the exercisable Warrant Shares for which this Warrant may be exercised in accordance with Section 2(a)(i) above, then the Holder shall continue to be entitled to exercise, in part or in full, the remaining vested and unexercised Warrant Shares in accordance with Section 2(a)(i) above, and the provisions of this Warrant shall continue to apply to such remaining vested and exercisable Warrant Shares.

      (iii) Unvested Warrant Shares. For avoidance of doubt, the Warrant Shares shall only vest and be exercisable if, and to the extent, vested in accordance with Section 2(a)(i) above. Any Warrant Shares not vested in accordance therewith, shall not be exercisable by the Holder.

   (b) This Warrant shall expire upon the earlier of: (i) the expiration of the Exercise Period; and (ii) the exercise of this Warrant with respect to all Warrant Shares issuable hereunder.

3. **Exercise of Warrant**.

   (a) Cash Exercise. The purchase rights represented by this Warrant may be exercised by the Holder, in whole or in part, at any time and from time to time during the Exercise Period by the surrender of this Warrant (with the notice of exercise in the form attached hereto as Exhibit A duly executed) and payment to the Company of an amount equal to the Exercise Price multiplied by the number of Warrant Shares being purchased.

   (b) Net Exercise. In lieu of the payment method set forth in Section (b)(a) above, the Holder may, at any time and from time to time during the Exercise Period, elect to exercise this Warrant for the number of Warrant Shares computed using the following formula:

$$X = \frac{Y*(A-B)}{A}$$

   Where X = the number of Warrant Shares to be issued to the Holder.

Y = the number of Warrant Shares exercised pursuant to this Warrant (excluding Warrant Shares already issued under this Warrant).

A = the Fair Market Value (as defined below) of one Warrant Share.

B = Exercise Price per one Warrant Share.

"**Fair Market Value**" of a Warrant Share shall mean:

(i) If the Company's shares are not publicly traded, then such value as determined by the Company's Board of Directors in good faith.

(ii) If the Warrant is exercised after the Company's shares are publicly traded, the average price per share of the Company as listed on the relevant exchange for the thirty (30) day period immediately prior to the Exercise Date.

(iii) If the Warrant is exercised in the context of a Deemed Liquidation, then the value shall be the quotient obtained by*dividing* (a) the aggregate consideration paid in connection with a Deemed Liquidation to (without double counting) the Company, its affiliates and/or all holders of Company equity or equity-linked securities or rights *by* (b) the Company's share capital as of immediately prior to such Deemed Liquidation calculated on a fully diluted basis (excluding any Company equity or equity-linked securities or rights that will be cancelled in connection with, and will not have rights to receive any consideration in or as a result of, such Deemed Liquidation).

(c) Issuance of Shares on Exercise. Upon the exercise of the rights represented by this Warrant, a certificate or certificates for the Exercised Shares, registered in the name of the Holder, shall be issued and delivered to the Holder by the Company as soon as is reasonably practicable after the rights represented by this Warrant shall have been so exercised, but in any event within thirty (30) calendar days thereof.

(d) Holder of Record. The person in whose name any certificate or certificates for Exercised Shares are to be issued upon exercise of this Warrant shall be deemed to have become the holder of record of such shares on the date on which this Warrant was surrendered and, in case of exercise under Section (b)(a) only, upon payment of the Exercise Price, irrespective of the date of delivery of such certificate or certificates.

4. **Company Representations and Warranties; Covenants**.

(a) Due Authorization, Execution and Issuance. The Company represents and warrants to the Holder as follows: (i) this Warrant has been duly authorized and executed by the Company and is a valid and binding obligation of the Company, enforceable in accordance with its terms; (ii) the execution and delivery of this Warrant are not, and the issuance of the Warrant Shares upon exercise hereof, will not be, inconsistent with the Company's governing documents, do not and will not contravene any law, governmental rule or regulation, judgement or order applicable to the Company, and do not and will not conflict with or contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument of which the Company is a party or by which it is bound, or require the consent or approval of, the giving of notice to, the registration with or the taking of any action in respect of or by, any government authority or agency or other person, other than those consents or approvals that shall have been previously obtained.

(b) Covenants as to Exercised Shares. The Company covenants and agrees that all Exercised Shares that may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be validly issued and outstanding, fully paid and non-assessable, and free from all liens and charges with respect to the issuance thereof and free from all preemptive rights of any shareholder. Subject to the provisions of Section 4(c) below, the Company further covenants and agrees that the Company will at all times during the Exercise Period have authorized and reserved, free from preemptive rights, a sufficient number of Preferred D-5 Shares to allow for the exercise of rights represented by this Warrant. If at any time during the Exercise Period the number of authorized but unissued Preferred D-5 Shares (and ordinary shares issuable upon conversion of such Preferred Shares) shall not be sufficient to permit exercise of this Warrant, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued number of Preferred D-5 Shares and ordinary shares to such number of Preferred D-5 Shares as shall be sufficient for such purposes.

(c) No Impairment. Except and to the extent as waived or consented to by the Holder, the Company will not, by amendment of its Articles or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out all the provisions of this Warrant and in the taking of all such action as may be reasonably necessary or appropriate in order to protect the exercise rights of the Holder against impairment.

5. **Adjustment of Number of Exercised Preferred Shares and Exercise Price.**

(a) Adjustment for Dividends, Share Splits, Recapitalizations, Etc. In the event of changes in the outstanding share capital of the Company by reason of share dividends, share splits, reverse splits, recapitalizations, reclassifications, combinations or exchanges of shares (including upon an automatic conversion of all outstanding Preferred Shares into ordinary shares in accordance with the terms of the Articles), separations, reorganizations, consolidations or mergers of the Company with or into another person (other than a consolidation or merger of the Company in which the Company is the continuing corporation and which does not result in any reclassification or change of any outstanding shares), or any adjustment of the conversion price of the Preferred Shares in accordance with the Articles and unless this Warrant expires in accordance with the terms herein, the number and class of shares available for purchase under this Warrant in the aggregate and the Exercise Price shall be correspondingly adjusted to give the Holder, on exercise for the same aggregate Exercise Price, the total number and class of shares or other securities or property as the Holder would have owned had this Warrant been exercised prior to such event and had the Holder continued to hold such shares until after the event requiring such adjustment. The form of this Warrant need not be changed because of any adjustment in the number of Exercised Shares subject to this Warrant. For the avoidance of doubt, the Holder shall be entitled to the benefit of all adjustments in the number of ordinary shares of the Company issuable upon conversion of the Preferred Shares which occur prior to the exercise of this Warrant, including without limitation, any increase in the number of ordinary shares issuable upon conversion as a result of a dilutive issuance of share capital.

(b) Notice of Adjustment. If the Company performs any of the actions or enters into any of the transactions described inSection 5(a), then, in any one or more of the said cases, the Company shall give the Holder prior written notice of such actions and/or transactions, including a description thereof and any record date relevant to such actions and transactions. Such written notice shall be given at least seven (7) days prior to the action in question and at least seven (7) days prior to the record date in respect thereto.

(c) Certificate of Adjustment. Whenever the Exercise Price or the number of Exercised Shares purchasable hereunder shall be adjusted pursuant to thisSection 5, the Company shall prepare a certificate setting forth, in reasonable detail, the event requiring the adjustment, the amount of the adjustment, the method by which such adjustment was calculated, and the Exercise Price and the number of Exercised Shares purchasable hereunder after giving effect to such adjustment, and shall provide such certificate to the Holder.

6. **Fractional Shares**. No fractional shares shall be issued upon the exercise of this Warrant or as a consequence of any adjustment pursuant hereto, and the Warrant Shares issuable hereunder shall be rounded to the closest whole number.

7. **No Shareholder Rights**. This Warrant in and of itself shall not entitle the Holder to any voting rights or other rights as a shareholder of the Company with respect to the Warrant and the Warrant Shares.

8. **Lost, Stolen, Mutilated or Destroyed Warrant**. If this Warrant is lost, stolen, mutilated or destroyed, the Company shall, on such terms as to indemnity or otherwise as it may reasonably impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination and tenor as this Warrant so lost, stolen, mutilated or destroyed. Any such new Warrant shall constitute an original contractual obligation of the Company, whether or not the allegedly lost, stolen, mutilated or destroyed Warrant shall be at any time enforceable by anyone.

9. **Notices, etc**. All notices and other communications required or permitted hereunder shall be in writing and shall be sent by facsimile or mailed by registered or certified mail, postage prepaid, or by electronic mail, or otherwise delivered personally or by courier, to the addresses stated in the preamble of this Warrant or to such other address, or to the attention of such other person, with respect to a party as such party shall notify the other party in writing as above provided. Any notice sent in accordance with this Section shall be deemed delivered (i) if mailed, three (3) Business Days after mailing, (ii) if sent by courier, upon delivery, and (iii) if sent via electronic mail, upon transmission and electronic confirmation of receipt, or, if transmitted and received on a day which is not a Business Day, on the first Business Day following transmission and electronic confirmation of receipt.

10. **Assignment**. The Holder may freely assign, sell or transfer its rights and obligations under this Warrant (in whole, and not in part) to any Permitted Transferee and otherwise this Warrant shall not be assignable or transferable by a Holder without the prior written consent of the Company. The Company shall reasonably cooperate as required to complete any such assignment, including (but not limited to) signing all documents and statements of any kind required to complete such transfer. Upon exercise of the Warrant Shares (in whole or in part), the Warrant Shares shall be subject to any transfer restrictions set forth in the Articles.

11. **Governing Law; Jurisdiction**. This Warrant and all rights, obligations and liabilities hereunder shall be governed by and construed in accordance with the laws of the State of Israel, without regard to conflict of law provisions thereof. The competent courts in Tel-Aviv-Jaffa, Israel shall have exclusive jurisdiction over any matter arising in connection with this Warrant.

12. **Modification; Waiver**. Any provision of this Warrant may be amended or waived only by the written consent of the Company and the Holder.

13. **Taxes**.

    (a) Each of the Company and the Holder will bear its own tax consequences arising from the grant of this Warrant or exercise of any of the Warrant Shares. To this end, the Company shall withhold any taxes at source to the extent required by applicable law, unless the Holder presents the Company, in a timely manner, with a valid exemption from such withholding at source, issued by the Israeli Tax Authority, in which case the Company shall act in accordance with such certificate. In the event that the Company pays any withholding tax, the Holder shall promptly indemnify the Company for any amounts it has so paid.

    (b) Notwithstanding the foregoing, or anything to the contrary herein, the Company may hold in escrow, by itself or through a trustee nominated by the Company, a reasonable amount of Exercised Shares (or any amount of shares to which such Exercised Shares were converted) to secure payment by the Holder of its obligations under this Section 13, unless (i) the Holder has presented to the Company a valid certificate issued by the Israeli Tax Authority providing for exemption from tax withholding at the rate of one hundred percent (100%), at least two (2) Business Days prior to the date in which the Warrant is exercised; or (ii) the Company has received from the Holder an amount of immediately available funds sufficient to cover the potential payment of tax required in connection with the exercise of the applicable Exercised Shares. To the extent the Holder fails to satisfy its obligations hereunder, the Company shall be entitled to sell (or order the trustee to sell, to the extent applicable) such amount of Exercised Shares (or amount of shares to which such Exercised Shares were converted) and use the proceeds received from the sale to pay itself for any amounts the Holder is required to pay under this Section 13.

    (c) Without limiting the foregoing, subject to applicable law, the Holder may instruct the Company to not withhold taxes and to hold in escrow, by itself or through a trustee nominated by the Company, a reasonable amount of Exercised Shares (or any amount of shares to which such Exercised Shares were converted) to secure payment by the Holder of its obligations under this Section 13 for a period of up to three (3) months so as to allow the Holder to receive the appropriate exemption from the Israeli Tax Authority.

[Signature Page Follows]

In Witness Whereof, the Company has caused this Warrant to be executed by its duly authorized officer as of the date first set forth above.

Gauzy Ltd.

By: _____
Name: _____
Title: _____

Agreed and Acknowledged:

Chutzpah Holdings Ltd.

By: _____
Name: _____
Title: _____

[Signature Page Warrant]

Exhibit A
NOTICE OF EXERCISE

TO: Gauzy Ltd.

1. Election. The undersigned hereby elects to purchase certain Preferred D-5 Shares of Gauzy Ltd. (the "**Company**") pursuant to the terms of the attached Warrant. Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

2. Form of Warrant Exercise Price. The undersigned intends that payment of the Exercise Price shall be made as:

    2.1. a "Cash Exercise" with respect to _____ Warrant Shares, and tenders herewith payment of $_____; and/or

    2.2. a "Cashless Exercise" of _____ Warrant Shares.

3. Issuance Instruction. Please issue a certificate or certificates representing said exercised Warrant Shares in the name of the undersigned:

(Name)

(Address)

(Date)

(Signature)

(Print name)

Exhibit 10.20

GAUZY LTD.
WARRANT TO PURCHASE PREFERRED SHARES

November 8, 2023

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR QUALIFIED UNDER ANY STATE OR FOREIGN SECURITIES LAW, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR HYPOTHECATED UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT COVERING THIS WARRANT AND/OR SUCH SECURITIES, OR THE HOLDER RECEIVES AN OPINION OF COUNSEL FOR THE HOLDER OF THE WARRANT AND/OR SUCH SECURITIES SATISFACTORY TO THE COMPANY STATING THAT SUCH SALE, TRANSFER, ASSIGNMENT OR HYPOTHECATION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF THE SECURITIES ACT AND THE QUALIFICATION REQUIREMENTS UNDER APPLICABLE STATE OR FOREIGN LAW.

This Certifies That, for value received, **Chutzpah Holdings Ltd.** (the "**Holder**") is entitled to subscribe for and purchase at the Exercise Price (as defined below) from **Gauzy Ltd.**, a company incorporated and existing under the laws of the State of Israel having its principal offices at the 14 Hatchiya St., Tel-Aviv, Israel 6816914 (the "**Company**") the Warrant Shares (as defined below).

1. **Definitions**. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in that certain Note Purchase Agreement by and between the Company, Vision Lite SAS, certain Purchasers (as such term is defined in the Note Purchase Agreement) and the Holder (amongst others), dated as of November 8, 2023 (the "**Agreement**"). In addition, as used herein, the following terms shall have the following respective meanings:

"**Articles**" shall mean the Amended and Restated Articles of Association of the Company, as amended from time to time.

"**Deemed Liquidation**" shall have the meaning as ascribed to it in the Articles.

"**Exercise Date**" shall mean the date of exercise of this Warrant.

"**Exercise Period**" shall mean a period commencing as of the date hereof and ending on the Maturity Date.

"**Exercise Price**" shall mean an exercise price per Warrant Share equal to (a) if a Qualified IPO is completed on or prior to March 31, 2024, the price per share for each share of the Company issued at a Qualified IPO; and otherwise, (b) the price of such share as implied by the latest 409A valuation of the Company or by a valuation of the shares of the Company by an independent third party appraiser appointed by the Company in each case of (a) or (b), multiplied by 1.2.

"**Exercised Shares**" shall mean those Warrant Shares issued by the Company to the Holder pursuant to any exercise of this Warrant from time to time.

"**Maturity Date**" shall have the meaning ascribed to it in the Agreement.

"**Permitted Transferee**" shall have the meaning ascribed to it in the Articles.

"**Preferred Shares**" shall have the meaning ascribed to it in the Articles.

"**Preferred D-6 Shares**" shall have the meaning ascribed to it in the Articles.

"**Qualified IPO**" shall have the meaning ascribed to it in the Agreement.

"**Warrant**" means this Warrant to Purchase Preferred Shares.

"**Warrant Factor**" shall mean, a fraction the numerator of which is the aggregate principal amount of all Notes issued to the Holder (as Purchaser or a permitted assignee of a Purchaser) pursuant to the Agreement, and the denominator of which is the Commitment of that Purchaser on the Effective Date.

"**Warrant Shares**" shall mean a 62,529 Preferred D-6 Shares to be issued to the Holder, representing 2% of the Company's share capital on a fully diluted basis as of the Effective Date, which shall vest and be exercisable in accordance with the provisions of this Warrant.

2. **Vesting and Exercisability of Warrant.**

(a) This Warrant and the Warrant Shares to be issued in relation therewith, shall vest and be exercisable by the Holder only in accordance with the provisions below:

(i) Vesting. On any day, the number of Warrant Shares that shall be vested and be exercisable shall be equal to the product of (x) the Warrant Factor; and (b) the Warrant Shares.

(ii) Partial Exercise. In the event the Holder exercises this Warrant for some, but not all of the exercisable Warrant Shares for which this Warrant may be exercised in accordance with Section 2(a)(i) above, then the Holder shall continue to be entitled to exercise, in part or in full, the remaining vested and unexercised Warrant Shares in accordance with Section 2(a)(i) above, and the provisions of this Warrant shall continue to apply to such remaining vested and exercisable Warrant Shares.

(iii) Unvested Warrant Shares. For avoidance of doubt, the Warrant Shares shall only vest and be exercisable if, and to the extent, vested in accordance with Section 2(a)(i) above. Any Warrant Shares not vested in accordance therewith, shall not be exercisable by the Holder.

(b) This Warrant shall expire upon the earlier of: (i) the expiration of the Exercise Period; and (ii) the exercise of this Warrant with respect to all Warrant Shares issuable hereunder.

3. **Exercise of Warrant**.

(a) Cash Exercise. The purchase rights represented by this Warrant may be exercised by the Holder, in whole or in part, at any time and from time to time during the Exercise Period by the surrender of this Warrant (with the notice of exercise in the form attached hereto as Exhibit A duly executed) and payment to the Company of an amount equal to the Exercise Price multiplied by the number of Warrant Shares being purchased.

(b) Net Exercise. In lieu of the payment method set forth in Section 3(a) above, the Holder may, at any time and from time to time during the Exercise Period, elect to exercise this Warrant for the number of Warrant Shares computed using the following formula:

$$X = \frac{Y*(A-B)}{A}$$

Where X = the number of Warrant Shares to be issued to the Holder.

Y = the number of Warrant Shares exercised pursuant to this Warrant (excluding Warrant Shares already issued under this Warrant).

A = the Fair Market Value (as defined below) of one Warrant Share.

B = Exercise Price per one Warrant Share.

"**Fair Market Value**" of a Warrant Share shall mean:

(i) If the Company's shares are not publicly traded, then such value as determined by the Company's Board of Directors in good faith.

(ii) If the Warrant is exercised after the Company's shares are publicly traded, the average price per share of the Company as listed on the relevant exchange for the thirty (30) day period immediately prior to the Exercise Date.

(iii) If the Warrant is exercised in the context of a Deemed Liquidation, then the value shall be the quotient obtained by*dividing* (a) the aggregate consideration paid in connection with a Deemed Liquidation to (without double counting) the Company, its affiliates and/or all holders of Company equity or equity-linked securities or rights *by* (b) the Company's share capital as of immediately prior to such Deemed Liquidation calculated on a fully diluted basis (excluding any Company equity or equity-linked securities or rights that will be cancelled in connection with, and will not have rights to receive any consideration in or as a result of, such Deemed Liquidation).

(c) Issuance of Shares on Exercise. Upon the exercise of the rights represented by this Warrant, a certificate or certificates for the Exercised Shares, registered in the name of the Holder, shall be issued and delivered to the Holder by the Company as soon as is reasonably practicable after the rights represented by this Warrant shall have been so exercised, but in any event within thirty (30) calendar days thereof.

(d) Holder of Record. The person in whose name any certificate or certificates for Exercised Shares are to be issued upon exercise of this Warrant shall be deemed to have become the holder of record of such shares on the date on which this Warrant was surrendered and, in case of exercise under Section 3(a) only, upon payment of the Exercise Price, irrespective of the date of delivery of such certificate or certificates.

4. **Company Representations and Warranties; Covenants**.

(a) Due Authorization, Execution and Issuance. The Company represents and warrants to the Holder as follows: (i) this Warrant has been duly authorized and executed by the Company and is a valid and binding obligation of the Company, enforceable in accordance with its terms; (ii) the execution and delivery of this Warrant are not, and the issuance of the Warrant Shares upon exercise hereof, will not be, inconsistent with the Company's governing documents, do not and will not contravene any law, governmental rule or regulation, judgement or order applicable to the Company, and do not and will not conflict with or contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument of which the Company is a party or by which it is bound, or require the consent or approval of, the giving of notice to, the registration with or the taking of any action in respect of or by, any government authority or agency or other person, other than those consents or approvals that shall have been previously obtained.

(b) Covenants as to Exercised Shares. The Company covenants and agrees that all Exercised Shares that may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be validly issued and outstanding, fully paid and non-assessable, and free from all liens and charges with respect to the issuance thereof and free from all preemptive rights of any shareholder. Subject to the provisions of Section 4(c) below, the Company further covenants and agrees that the Company will at all times during the Exercise Period have authorized and reserved, free from preemptive rights, a sufficient number of Preferred D-6 Shares to allow for the exercise of rights represented by this Warrant. If at any time during the Exercise Period the number of authorized but unissued Preferred D-6 Shares (and ordinary shares issuable upon conversion of such Preferred Shares) shall not be sufficient to permit exercise of this Warrant, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued number of Preferred D-6 Shares and ordinary shares to such number of Preferred D-6 Shares as shall be sufficient for such purposes.

(c) No Impairment. Except and to the extent as waived or consented to by the Holder, the Company will not, by amendment of its Articles or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out all the provisions of this Warrant and in the taking of all such action as may be reasonably necessary or appropriate in order to protect the exercise rights of the Holder against impairment.

5. **Adjustment of Number of Exercised Preferred Shares and Exercise Price**.

(a) Adjustment for Dividends, Share Splits, Recapitalizations, Etc. In the event of changes in the outstanding share capital of the Company by reason of share dividends, share splits, reverse splits, recapitalizations, reclassifications, combinations or exchanges of shares (including upon an automatic conversion of all outstanding Preferred Shares into ordinary shares in accordance with the terms of the Articles), separations, reorganizations, consolidations or mergers of the Company with or into another person (other than a consolidation or merger of the Company in which the Company is the continuing corporation and which does not result in any reclassification or change of any outstanding shares), or any adjustment of the conversion price of the Preferred Shares in accordance with the Articles and unless this Warrant expires in accordance with the terms herein, the number and class of shares available for purchase under this Warrant in the aggregate and the Exercise Price shall be correspondingly adjusted to give the Holder, on exercise for the same aggregate Exercise Price, the total number and class of shares or other securities or property as the Holder would have owned had this Warrant been exercised prior to such event and had the Holder continued to hold such shares until after the event requiring such adjustment. The form of this Warrant need not be changed because of any adjustment in the number of Exercised Shares subject to this Warrant. For the avoidance of doubt, the Holder shall be entitled to the benefit of all adjustments in the number of ordinary shares of the Company issuable upon conversion of the Preferred Shares which occur prior to the exercise of this Warrant, including without limitation, any increase in the number of ordinary shares issuable upon conversion as a result of a dilutive issuance of share capital.

(b) Notice of Adjustment. If the Company performs any of the actions or enters into any of the transactions described inSection 5(a), then, in any one or more of the said cases, the Company shall give the Holder prior written notice of such actions and/or transactions, including a description thereof and any record date relevant to such actions and transactions. Such written notice shall be given at least seven (7) days prior to the action in question and at least seven (7) days prior to the record date in respect thereto.

(c) Certificate of Adjustment. Whenever the Exercise Price or the number of Exercised Shares purchasable hereunder shall be adjusted pursuant to thisSection 5, the Company shall prepare a certificate setting forth, in reasonable detail, the event requiring the adjustment, the amount of the adjustment, the method by which such adjustment was calculated, and the Exercise Price and the number of Exercised Shares purchasable hereunder after giving effect to such adjustment, and shall provide such certificate to the Holder.

6. **Fractional Shares**. No fractional shares shall be issued upon the exercise of this Warrant or as a consequence of any adjustment pursuant hereto, and the Warrant Shares issuable hereunder shall be rounded to the closest whole number.

7. **No Shareholder Rights**. This Warrant in and of itself shall not entitle the Holder to any voting rights or other rights as a shareholder of the Company with respect to the Warrant and the Warrant Shares.

8. **Lost, Stolen, Mutilated or Destroyed Warrant**. If this Warrant is lost, stolen, mutilated or destroyed, the Company shall, on such terms as to indemnity or otherwise as it may reasonably impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination and tenor as this Warrant so lost, stolen, mutilated or destroyed. Any such new Warrant shall constitute an original contractual obligation of the Company, whether or not the allegedly lost, stolen, mutilated or destroyed Warrant shall be at any time enforceable by anyone.

9. **Notices, etc**. All notices and other communications required or permitted hereunder shall be in writing and shall be sent by facsimile or mailed by registered or certified mail, postage prepaid, or by electronic mail, or otherwise delivered personally or by courier, to the addresses stated in the preamble of this Warrant or to such other address, or to the attention of such other person, with respect to a party as such party shall notify the other party in writing as above provided. Any notice sent in accordance with this Section shall be deemed delivered (i) if mailed, three (3) Business Days after mailing, (ii) if sent by courier, upon delivery, and (iii) if sent via electronic mail, upon transmission and electronic confirmation of receipt, or, if transmitted and received on a day which is not a Business Day, on the first Business Day following transmission and electronic confirmation of receipt.

10. **Assignment**. The Holder may freely assign, sell or transfer its rights and obligations under this Warrant (in whole, and not in part) to any Permitted Transferee and otherwise this Warrant shall not be assignable or transferable by a Holder without the prior written consent of the Company. The Company shall reasonably cooperate as required to complete any such assignment, including (but not limited to) signing all documents and statements of any kind required to complete such transfer. Upon exercise of the Warrant Shares (in whole or in part), the Warrant Shares shall be subject to any transfer restrictions set forth in the Articles.

11. **Governing Law; Jurisdiction**. This Warrant and all rights, obligations and liabilities hereunder shall be governed by and construed in accordance with the laws of the State of Israel, without regard to conflict of law provisions thereof. The competent courts in Tel-Aviv-Jaffa, Israel shall have exclusive jurisdiction over any matter arising in connection with this Warrant.

12. **Modification; Waiver**. Any provision of this Warrant may be amended or waived only by the written consent of the Company and the Holder.

13. **Taxes**.

(a) Each of the Company and the Holder will bear its own tax consequences arising from the grant of this Warrant or exercise of any of the Warrant Shares. To this end, the Company shall withhold any taxes at source to the extent required by applicable law, unless the Holder presents the Company, in a timely manner, with a valid exemption from such withholding at source, issued by the Israeli Tax Authority, in which case the Company shall act in accordance with such certificate. In the event that the Company pays any withholding tax, the Holder shall promptly indemnify the Company for any amounts it has so paid.

(b) Notwithstanding the foregoing, or anything to the contrary herein, the Company may hold in escrow, by itself or through a trustee nominated by the Company, a reasonable amount of Exercised Shares (or any amount of shares to which such Exercised Shares were converted) to secure payment by the Holder of its obligations under this Section 13, unless (i) the Holder has presented to the Company a valid certificate issued by the Israeli Tax Authority providing for exemption from tax withholding at the rate of one hundred percent (100%), at least two (2) Business Days prior to the date in which the Warrant is exercised; or (ii) the Company has received from the Holder an amount of immediately available funds sufficient to cover the potential payment of tax required in connection with the exercise of the applicable Exercised Shares. To the extent the Holder fails to satisfy its obligations hereunder, the Company shall be entitled to sell (or order the trustee to sell, to the extent applicable) such amount of Exercised Shares (or amount of shares to which such Exercised Shares were converted) and use the proceeds received from the sale to pay itself for any amounts the Holder is required to pay under this Section 13.

(c) Without limiting the foregoing, subject to applicable law, the Holder may instruct the Company to not withhold taxes and to hold in escrow, by itself or through a trustee nominated by the Company, a reasonable amount of Exercised Shares (or any amount of shares to which such Exercised Shares were converted) to secure payment by the Holder of its obligations under this Section 13 for a period of up to three (3) months so as to allow the Holder to receive the appropriate exemption from the Israeli Tax Authority.

[Signature Page Follows]

In Witness Whereof, the Company has caused this Warrant to be executed by its duly authorized officer as of the date first set forth above.

Gauzy Ltd.

By: _____
Name: _____
Title: _____

Agreed and Acknowledged:

Chutzpah Holdings Ltd.

By: _____
Name: _____
Title: _____

[Signature Page Warrant]

Exhibit A
NOTICE OF EXERCISE

TO: Gauzy Ltd.

1. Election. The undersigned hereby elects to purchase certain Preferred D-6 Shares of Gauzy Ltd. (the "**Company**") pursuant to the terms of the attached Warrant. Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

2. Form of Warrant Exercise Price. The undersigned intends that payment of the Exercise Price shall be made as:

2.1. a "Cash Exercise" with respect to _____ Warrant Shares, and tenders herewith payment of $_____; and/or

2.2. a “Cashless Exercise” of _____ Warrant Shares.

3. Issuance Instruction. Please issue a certificate or certificates representing said exercised Warrant Shares in the name of the undersigned:

_____
(Name)

_____
_____
(Address)

(Date)

(Signature)

(Print name)

Exhibit 10.21

Amendment to Warrant to Purchase Preferred Shares

THIS AMENDMENT TO THAT WARRANT TO PURCHASE PREFERRED SHARES (this "**Amendment**") is made as of 31 day of December, 2023, by **Chutzpah Holdings Ltd.** (the "**Holder**") and **Gauzy Ltd.**, a company incorporated and existing under the laws of the State of Israel having its principal offices at the 14 Hatchiya St., Tel-Aviv, Israel 6816914 (the "**Company**").

Recitals:

Whereas, on November 8, 2023 the Company issued to the Holder the Warrant to Purchase Preferred D-5 Shares (the '**D-5 Warrant**") and the Warrant to Purchase Preferred D-6 Shares (the "**D-6 Warrant**," and collectively with the D-5 Warrant, the "**Warrant**s"), and the Holder and the Company wish to amended the Warrants as set forth in this Amendment.

Agreement:

NOW, THEREFORE, in consideration of the foregoing, the terms and conditions set forth in this Amendment, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Company and Holder hereby agree as follows:

1. Capitalized Terms. Each capitalized term used but not otherwise defined in this Amendment shall have the meaning ascribed to such term in the Warrants.

2. Amendment. The following amendments shall be effective as of the original issue date of the Warrants:

(a) The following definitions shall be added to the Warrants:

"*"**Ordinary Shares**" shall have the meaning as ascribed to it in the Articles.*

*"**Relevant Class of Shares**" shall mean prior and up to the completion of a Qualified IPO by the Company, Preferred D-5 Shares, and upon and following the completion of a Qualified IPO by the Company, Ordinary Shares (subject to adjustment in accordance with Section 5(a) below).*"

(b) The definition of "Exercise Period" shall be amended by replacing the words "*Maturity Date*" with the words "*November 8, 2028*".

(c) The definition of "Warrant Shares" shall be deleted and replaced in its entirety as follows:

With respect to the D-5 Warrant: "*"**Warrant Shares**" shall mean a (a) prior and up to the completion of a Qualified IPO by the Company, 156,323 Preferred D-5 Shares to be issued to the Holder, representing 5% of the Company's share capital on a fully diluted basis as of the Effective Date, as such number of Preferred D-5 Shares may be adjusted in accordance with Section 5(a), and (b) upon and following the completion of a Qualified IPO by the Company, the number of Ordinary Shares that the number of Preferred D-5 Shares in clause (a) would have converted into upon the date of completion of such Qualified IPO taking into account any adjustments at or prior to such time under Section 10.3.5 of the Articles (as in effect immediately prior to the completion of such Qualified IPO), and in each case, which shall vest and be exercisable in accordance with the provisions of this Warrant.*"; and

---

With respect to the D-6 Warrant: "*"**Warrant Shares**" shall mean a (a) prior and up to the completion of a Qualified IPO by the Company, 62,529 Preferred D-6 Shares to be issued to the Holder, representing 2% of the Company's share capital on a fully diluted basis as of the Effective Date, as such number of Preferred D-6 Shares may be adjusted in accordance with Section 5(a), and (b) upon and following the completion of a Qualified IPO by the Company, the number of Ordinary Shares that the number of Preferred D-6 Shares in clause (a) would have converted into upon the date of completion of such Qualified IPO taking into account any adjustments at or prior to such time under Section 10.3.5 of the Articles (as in effect immediately prior to the completion of such Qualified IPO), and in each case, which shall vest and be exercisable in accordance with the provisions of this Warrant.*"

(d) Section 4(b) shall be deleted and replaced in its entirety as follows (with the relevent Preferred D-5 Shares or Preferred D-6 Shares referenced in the D-5 Warrant and the D-6 Warrant, as applicable):

"*Covenants as to Exercised Shares. The Company covenants and agrees that all Exercised Shares that may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be validly issued and outstanding, fully paid and non-assessable, and free from all liens and charges with respect to the issuance thereof and free from all preemptive rights of any shareholder. Subject to the provisions of Section 4 (c) below, the Company further covenants and agrees that the Company will at all times during the Exercise Period have authorized and reserved, free from preemptive rights, a sufficient number of Relevant Class of Shares to allow for the exercise of rights represented by this Warrant. If at any time during the Exercise Period the number of authorized but unissued Relevant Class of Shares (and, to the extent relevant, Ordinary Shares issuable upon conversion of such Preferred D-5/6 Shares, to the extent applicable) shall not be sufficient to permit exercise of this Warrant in full, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued number of Preferred D-6 Shares and Ordinary Shares to such number of Relevant Class of Shares as shall be sufficient for such purposes.*"

(e) A new Section 4(d) shall be added as follows:

"*The Company undertakes that, if a Qualified IPO is not completed by March 31, 2024, it will cause a 409A valuation of the Company to be completed between April 1, 2024 and June 30, 2024, to determine the price of the Warrant Shares for the purpose of paragraph (b) of the definition of the "Exercise Price".*"

(f) Section 5(a) shall be deleted and replaced in its entirety as follows:

"*Adjustment for Dividends, Share Splits, Recapitalizations, Etc. In the event of changes in the outstanding share capital of the Company by reason of share dividends, share splits, reverse splits, recapitalizations, reclassifications, combinations or exchanges of shares (including upon an automatic conversion of all outstanding Preferred Shares into Ordinary Shares in accordance with the terms of the Articles), separations, reorganizations, consolidations or mergers of the Company with or into another person (other than a consolidation or merger of the Company in which the Company is the continuing corporation and which does not result in any reclassification or change of any outstanding shares), or any adjustment of the conversion price of the Preferred Shares in accordance with the Articles and unless this Warrant expires in accordance with the terms herein, the number and class of shares available for purchase under this Warrant in the aggregate and the Exercise Price shall be correspondingly adjusted to give the Holder, on exercise for the same aggregate Exercise Price, the total number and class of shares or other securities or property as the Holder would have owned had this Warrant been exercised prior to such event and had the Holder continued to hold such shares until after the event requiring such adjustment. The form of this Warrant need not be changed because of any adjustment in the number of Exercised Shares subject to this Warrant. The Holder shall be entitled to the benefit of all adjustments in the number of Ordinary Shares of the Company issuable upon conversion of the Preferred Shares which occur prior to the exercise of this Warrant, including without limitation, any increase in the number of Ordinary Shares issuable upon conversion as a result of a dilutive issuance of share capital, and to the extent that any Warrant Shares are issuable as Ordinary Shares due to the completion of an IPO, such Warrant Shares will benefit from the same adjustments applied to Preferred Shares, including as contemplated in Section 10.3.5 of the Articles, upon the completion of such IPO.*"

3. No Other Amendments. Except as expressly amended as set forth in this Amendment, all terms and provisions of the Warrant shall remain unchanged and in full force and effect.

4. Governing Law. All questions concerning the construction and interpretation of this Amendment shall be governed by and construed in accordance with the internal laws of the State of Israel, without giving effect to any choice of law or other conflict of law provision or rule (whether of the State of Israel or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

5. Counterparts. This Amendment may be executed in any number of counterparts and be different parties to this Amendment in separate counterparts, including by way of electronic signature or the keeping of records in electronic form, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature or the use of a paper-based recordkeeping systems, as the case may be, and each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same Amendment.

[*Signature Page to Follow*]

In Witness Whereof, the Company has caused this Amended to that Warrant to Purchase Preferred Shares to be executed by its duly authorized officer as of the date first set forth above.

Gauzy Ltd.

By:	/s/ Eyal Peso	/s/ Meir Peleg
Name:	Eyal Peso	Meir Peleg
Title:	CEO	CFO

Agreed and Acknowledged:

Chutzpah Holdings Ltd.

By:	/s/ Ana Ventura	/s/ Laura Perkins
Name:	Ana Ventura (Director)	Laura Perkins (Director)
Title:	For and on behalf of Beaumont Directors Limited	

For: Beaumont Directors Limited
Sole Corporate Director

Exhibit 10.22

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

Confidential

PATENT ASSIGNMENT and KNOW-HOW DISCLOSURE AGREEMENT

This Patent Assignment Agreement (this "**Agreement**") made and entered into this 28 day of February, 2023 (the "**Effective Date**") by and between:

Resonac Corporation, a corporation duly organized and existing under the laws of Japan, having its office at 9-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-6606, Japan (**"REC**"), Registered under identification Number_0111-01-018084_and

Gauzy Ltd., a corporation duly organized and existing under the laws of Israel, having its office at 14 HaThiya Street, Tel Aviv-Yafo, Israel, 6816914 (**Gauzy**") Registered under identification Number 514335967,

WITNESSETH:

WHEREAS, REC owns the entire right, title and interest in and to the patents listed onExhibit A attached hereto ("**Patents**"); and,

WHEREAS, REC owns the entire right, title and interest in and to the technical or business information with respect to the Products (**Technology Information**"); and,

WHEREAS, Gauzy is desirous of acquiring such REC's Patents and being disclosed Technology Information,

NOW THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto agree as follows:

1. DEFINITIONS

In this Agreement, the following terms shall have the meanings set forth below:

1.1 "**Patent**(s)" shall mean the patent(s) listed on Exhibit A attached hereto.

1.2 "**Products**" shall mean REC's SPD (Suspended Particle Device) film which has been developed, manufactured or sold by REC.

1.3 "**Intermediates**" shall mean matrix resin, suspending polymer, emulsifier, light control particles, light control emulsion, and ITO/PET substrate with primer which is used for SPD film developed, manufactured or sold by REC.

1.4 "**Affiliate**" shall mean any entity, whether such entity now exists or is hereafter created or acquired, that directly or indirectly, controls, is controlled by, or is under common control with a party hereto, but only for so long as such control exists. For purposes of this definition, "control" (including, with correlative meaning, the terms "controlled by" and "under common control with" and similar terms), as used with respect to any entity, shall mean the possession, directly or indirectly, of the power to direct and/or cause the direction of the management and policies of such entity, whether through the ownership more than fifty percent (50%) of the share, by contract or otherwise.

1.5 "**Claim(s)**" means any claims, counterclaims, demands, debts, dues, liabilities, actions or causes of action of any nature or character, against a third party in connection with infringement of the Patents arising in any jurisdiction in the world or available under any state, local, provincial, federal or international law, or the law of any country (or any other act, action, administrative rule or procedure, legislation or regulation of any kind or description, whether civil, criminal or administrative), regardless of whether existing in the past, present or future (or whether accrued, actual, contingent, latent or otherwise), made or brought for the purpose of recovering any Damages or for the purpose of obtaining any injunctive relief, equitable relief or any other relief of any kind, including any and all of the foregoing that were alleged or could have been alleged in the lawsuit and any and all that were raised or could have been raised in the invalidation proceedings.

1.6 "**Contractor**" means, in respect of REC and its Affiliates, a past, present or future direct or indirect distributor, supplier, dealer, reseller, sales agent, sales representative, service provider, vendor, retailer, contractor, subcontractors, or manufacturer of Products solely when and to the extent that Contractor is or was acting in this capacity for or on behalf of REC and/or its Affiliates in connection with the Products.

1.7 "**Customer**" shall mean any entity who, directly or indirectly, purchases or utilizes the Products either sold, transferred, exchanged or otherwise consigned for sale by REC, its Affiliates or its Contractors.

1.8 "**Damages**" means damages of any kind or nature, past, present, or future, against a third party in connection with infringement of the Patents arising in any jurisdiction in the world or available under any state, local, provincial, federal or international law, or the law of any country (or any other act, action, administrative rule or procedure, legislation or regulation of any kind or description), including any actual, general, specific, direct, indirect, commercial, economic, consequential, incidental, special, punitive, exemplary, or treble damages, which can be obtained directly, indirectly or by way of contribution or indemnity, under any theory of liability whatsoever, including but not limited to, any liability which is contributory, strict, contractual or tortious in character, whether at law or in equity.

1.9 "**Know-How Book**" shall mean a written document which is prepared by REC within the scope that REC would consider necessary for Gauzy to manufacture the Products, including by using Intermediates. The contents of Know-How Book shall contain the information set forth in Exhibit B.

1.10 "**Specifications**" shall mean REC's internal specifications which are solely used for the Products such as: production specifications, product specifications, inspection specifications, shipping and packaging specifications. Notwithstanding the foregoing, (i) any specifications between REC and Customer, including, but not limited to delivery specifications or purchase specifications, and (ii) any specification which is used for other business than the Products, shall be expressly excluded from the "Specifications".

1.11 "**Technology Information**" shall have the meaning set out in the recitals, and, for the avoidance of doubt, shall include the Specifications and Know-How Book.

2. ASSIGNMENT OF PANTENTS

2.1 REC hereby perpetually and irrevocably sells, conveys, transfers and assigns to Gauzy on the date of the receipt of the Consideration, all rights, title, interest and the exclusive benefit in and to the Patents, including, but not limited to, the right to sue for injunctive relief and Damages for infringement of any of the Patents.

2.2 Subject to REC's representations and compliance with its undertakings set forth herein, Gauzy shall covenant not to assert any infringement of the Patent or otherwise seek any Claim or Damages with respect to the Patent against:

(a) REC or REC Affiliates or REC Contractors making, having made, selling, offering to sell, using, importing or exporting Products (the **Covenant**").

2.3 Gauzy, for itself and its respective successors and assigns, hereby settles, releases, and discharges any and all Claims that may be brought in any court or proceeding against REC, REC Affiliates, Contractors, and/or Customers (the "**Release**"). Notwithstanding the foregoing, REC shall be liable for Claims and/or Damages accrued due to any and all Products that were sold to Customers by REC, REC Affiliates and/or Contractors, including the use, sale or promotion of the agreed quantities of Products mentioned in Section 8.1 herein.

2.4 From the Effective Date, Gauzy shall be solely responsible for all actions and all costs whatsoever, including but not limited to maintenance fees, taxes, attorneys' fees and patent office fees in any jurisdiction, associated with the perfection of Gauzy's right, title, and interest in and to each Patent and recordation thereof.

2.5 REC has changed its company name from Showa Denko Materials Co., Ltd. ("SDMC") to Resonac Corporation as of January 1st, 2023.

2.6 REC is representing that for all intents and purposes of this agreement, REC shall mean SDMC regarding any right or responsibility it holds under the name of SDMC.

2.7 All of the actions and/or procedures and/or costs associated and/or stemming from and/or required due to the name change from SDMC (or SDMC's previous company name) to REC and needed to implement REC's duties under this agreement, shall be diligently, timely, and effectively done by REC at REC's own cost and expense. This includes the name change of Patent from SDMC (or SDMC's previous company name) to REC in any country and jurisdiction, that shall be prepared and executed by REC or REC's appointee, expert or attorney, at REC's cost and expense, and shall be provided to Gauzy as soon as reasonably possible while keeping Gauzy informed and updated of the actions taken and documents submitted.

2.8 All of the actions and/or procedures and/or costs associated and/or stemming from and/or required due to the assignment and the name change of Patent from REC to Gauzy in any country and jurisdiction shall be prepared by Gauzy or Gauzy's appointee, expert or attorney, at Gauzy's cost and expense, and shall be provided to REC. REC agrees, at Gauzy's request and expense, to cooperate with Gauzy to execute and sign documents to record the assignment and the name change of the Patent from REC to Gauzy in any applicable country and jurisdictions within the scope REC would reasonably consider at its own discretion necessary for the purpose of completion of the assignment and the name change of the Patent.

3. TECHNOLOGY DISCLOSURE

3.1 REC will disclose the Specifications within thirty (30) days after the receipt of the Consideration under Section 4.1; provided, however, in the event that Gauzy provides secure means to share electronic data with a sufficient security level applicable in the industry, such as reliable safety data room, REC will disclose the Specifications by using such means, unless certain mechanical or technical issue occurs that prevents the secure transfer of the Specifications, within four (4) business days after completion of both (i) such means is prepared and (ii) the Consideration is paid.

3.2 REC will provide Gauzy with Know-How Book within thirty (30) days after the receipt of the Consideration under Section 4.1, within the scope REC would reasonably consider at its discretion necessary to manufacture the Products; provided, however, in the event that Gauzy provides secure means to share electronic data with a sufficient security level applicable in the industry, such as reliable safety data room, REC will provide the Know- How Book by using such means, unless certain mechanical or technical issue occurs that prevents the secure transfer of the Specifications, within four (4) business days after completion of both (i) such means is prepared and (ii) the Consideration is paid.

3.3 The Know-How Book will include a true and correct list of all suppliers, within the scope both REC (1) is entitled to disclose at its sole discretion, and (2) considers in good faith essential to manufacture and sell the Products, from which REC has purchased or otherwise received supplies, ingredients, equipment, materials or components used in the development or production of Products.

3.4 Gauzy acknowledges and agrees that Technology Information, including, but not limited to any information set forth in Specifications and Know-How Book, may contain REC's know-how and/or trade secret which does not solely relate to Products and therefore any titles, ownership and copyrights of the Technology Information shall NOT be deemed to assign from REC to Gauzy by this Agreement. Further, Gauzy agrees that it shall not disclose or divulge any contents of the Technology Information to any third party other than its or its Affiliate company's employees and/or professional advisors or authorized contractors, on a need-to-know basis and subject to Confidentiality. Notwithstanding any other provision in or termination of this Agreement, Gauzy agrees that this Section 3.3 shall remain in effect without any time limitation.

3.5 Gauzy agrees that the Technology Information shall be provided in Japanese, and REC is not obligated to translate those to English or any other language. In the event that Gauzy out-sources a translation of the Technology Information, Gauzy shall impose such out- source person/entity on perpetual confidentiality obligation and shall responsible for performance of such obligation.

3.6 No assignment or transfer of any tangible assets such as apparatus, tool, jig and other facilities nor human resources from REC to Gauzy shall be executed.

4. CONSIDERATION

4.1 In consideration for the Patents assignment set forth in Section 2 and Technology Information disclosure set forth in Section 3 hereof, Gauzy shall pay REC the sum of[***] (the "**Consideration**") by electronic transfer to the following account no later than thirty (30) days after the Effective Date. For the avoidance of doubt, the parties acknowledge and agree that VAT (Value Added Tax), including Israel or Japanese consumption tax is not applied to the Consideration. The money paid by Gauzy hereunder shall not be creditable nor refundable in whole or in part under any other circumstance.

4.2 Gauzy has confirmed its tax consultant, and warrants and represents that, the withholding tax deduction or exemption is not necessary for the assignment transaction of this Agreement under the Israel law. Therefore, Gauzy agrees that REC shall not be obligated to bear or pay any payment (including but not limited to the withholding tax) even if such payment occurs after the transaction of this Agreement. Gauzy shall be solely liable for such payment.

4.3 Any payment under this Agreement that is overdue shall bear interest monthly from the date due at a rate of ten (10) percent per year or at such lower rate legally recognized in the jurisdiction of the respondent. For the purpose of this Section 4.3, any fraction of a month will be counted as one full month.

4.4 REC confirms that payment by Gauzy of the consideration stated in Section 4.1 constitutes the full and sufficient legal consideration for the promises and covenants set forth in this Agreement.

5. TECHNOLOGY COOPERATION

5.1 REC accepts a plant tour of Gauzy's engineer at REC's plant, if circumstance (including but not limited to COVID-19) permits, provided, however, that photography and video is strictly prohibited. Schedule, the numbers of people of such plant tour shall be agreed by REC in advance. REC may determine at its discretion scope and contents of the plant tour.

5.2 REC further agrees, at Gauzy's expense, to communicate with Gauzy's engineer for technical Q&A via web meeting (up to 2hr/each) up to three (3) times a month within the scope REC would reasonably consider at its sole discretion necessary for this transaction, upon the request from Gauzy, until nine (9) months after the Know-How Book and Specifications are received("**Technical Q&A**"); provided, however, that in no event Technical Q&A will be provided after the end of December, 2023.

5.3 Notwithstanding the foregoing, REC shall not be responsible to provide Gauzy with any technical training, such as sending its employee to Gauzy's site for the in-person training, performing on-line training or other training nor accepting Gauzy's employee at REC's site for any training; provided, however, that REC may accept a visit of Gauzy's engineer at REC's site within the scope and limitation that REC considers it would be necessary for the Technical Q&A. Schedule, the numbers of people of such visit shall be agreed by REC in advance. REC may determine, at its sole discretion, scope and contents of such Technical Q&A in REC's site.

5.4 For the avoidance of doubt, REC shall not be responsible to improve the Products.

6. REPRESENTATION AND WARRANTIES, INDEMNITIES AND DAMAGES

6.1 REC represents and warrants to Gauzy as follows:

(a) REC has the entire right, power and authority to enter into this Agreement and to perform its obligations hereunder;

(b) REC is the exclusive owner of all right, title and interest in the Patents as well as the intellectual property rights in the Specifications and Know-How Book;

(c) the Patents listed in Exhibit A is a disclosure of all patents that REC considers, at its sole discretion, necessary for REC's Products which have been sold to Customer;

(d) the Patents owned by REC as of the execution of this Agreement but not listed in Exhibit A (that is, patents not assigned to Gauzy), including, but not limited to a patent jointly owned by REC and a third party, are listed in Exhibit D as "Excluded Patents", and such Excluded Patents shall not prevent Gauzy from manufacturing or selling the Products.

(e) the Patents and the contents of the Specifications and Know-How Book are free of any liens, security interests, encumbrances or licenses;

(f) there are no claims, pending or threatened, with respect to REC's rights in the Patents or the Technology Information, including Claims for infringement of third party rights;

(g) REC is not subject to any agreement, judgment or order inconsistent with the terms of this Agreement; and

(h) As mentioned in section 2.5. REC has changed its company name from Showa Denko Materials Co., Ltd. to Resonac Corporation as of January 1st, 2023, but such name change will not affect a validity of a transaction under this Agreement.

7. NO WARRANTY

7.1 **NOTHING IN THE AGREEMENT SHALL BE CONSTRUED OR IMPLIED AS A REPRESENTATION OR WARRANTY BY REC THAT THE MANUFACTURE, EXERCISE, USE, LAUNCH OR SALE OF ANY PRODUCTS USING THE PATENTS, KNOW-HOW BOOK AND/OR SPECIFICATIONS WILL BE SUCCESSFULLY COMPLETED. FURTHER, NOTHING IN THE AGREEMENT SHALL BE CONSTRUED OR IMPLIED AS A REPRESENTATION OR WARRANTY BY REC THAT THE MANUFACTURE, EXERCISE, USE, LAUNCH OR SALE OF ANY PRODUCTS USING THE PATENTS, KNOW-HOW BOOK AND/OR SPECIFICATIONS DOES NOT INFRINGE ANY PATENT OR RIGHTS OF A THIRD PARTY.**

7.2 **THE PATENT, SPECIFICATIONS AND KNOW-HOW BOOK ARE PROVIDED "AS IS AND WITH ALL FAULTS". REC DOES NOT REPRESENT AND WARRANT THE FUTURE VALIDITY OF THE PATENT, SPECIFICATIONS AND KNOW-HOW BOOK FROM THE EXECUTION DATE OF THE AGREEMENT.**

8. LICENSE

8.1 Upon request from REC in the future, Gauzy shall discuss in good faith with REC regarding a license to REC or REC's Affiliate under the assigned Patent so long as the right under the Patent exists. Notwithstanding the foregoing, Gauzy shall give a non- exclusive, non-transferable, irrevocable, royalty-free, worldwide license under the Patents to REC, it's Affiliates and Contractor to manufacture and sell the Products: (a) [***] sq meters of products under outstanding last buy orders placed by REC customers before September 30, 2022 and (b) [***] sq meters of Products which will be manufactured, produced and supplied by REC for Gauzy in accordance with the delivery dates as other relevant details as agreed between the Parties and specified in Exhibit C, and until such Products will be supplied by REC to the Customers and Gauzy, but no later than December 31, 2023. REC hereby acknowledges and agrees that this license by Gauzy to REC is terminated on December 31, 2023 and therefore in the event that REC, its Affiliates or Contractor manufactures or sells the Products and Intermediate on or after January 1st, 2024 without Gauzy's prior permission, such sale will constitute an infringement of the assigned Patent.

8.2 REC shall give an exclusive, non-transferable, irrevocable, worldwide, fully paid-up royalty-free license to Gauzy to use the Specifications and Know-How Book, including any related information included thereto, to develop, manufacture, use, offer for sale and sell SPD film products.

9. CONFIDENTIALITY

The parties may disclose only the mere existence of this Agreement, except that the terms of this Agreement and other related documents shall remain confidential to REC and Gauzy. Otherwise, neither Party may disclose the terms and conditions of this Agreement, except (i) as required pursuant to a court order or otherwise required by law; (ii) on a confidential basis to legal, accounting or financial advisors, or as part of a due diligence for a corporate transaction, solely to the extent that they have a need for access; (iii) either Party's Affiliate, or (iv) upon the express written consent of the other Party. Notwithstanding any other provision in or termination of this Agreement, REC and Gauzy agree that this Section 9 shall remain in effect for no less than ten (10) years after the Effective Date.

10. MODIFICATION

No modification or waiver of any of the provisions of this Agreement shall be in force and effect unless in writing and signed by the authorized representatives of the parties hereto.

11. GOVERNING LAW

This Agreement shall be governed by and construed and interpreted in accordance with the laws of California, USA without regard to any principle of conflicts of law.

12. ARBITRATION

All disputes arising out of or in connection with this Agreement which shall not be settled amicably within three (3) months, shall be finally settled by arbitration in accordance with the rules of the International Chamber of Commerce by one or more arbitrators appointed in accordance with said rules. Any arbitration award shall be final and enforceable in any court of competent jurisdiction. The place of arbitration shall be in the place of the respondent. The language to be used in the arbitral proceedings shall be English.

13. ASSIGNABILITY

13.1 This Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the parties hereto, provided, however, that, neither party hereto shall assign this Agreement without the prior written consent of the other party.

13.2 Notwithstanding the above, Gauzy may assign the Patents and any rights, obligations and interests assigned to it by REC under this Agreement and shall have the full right to make any lease, assignment, license or other transfer to any third party, upon its sole discretion, without the prior consent of REC to any purchaser of all or substantially all of its assets, or to any successor corporation resulting from any merger or consolidation of Gauzy with or into such a corporation; provided, however, that such acquirer or successor shall agree in writing to be bound by the terms of this Agreement. For the avoidance of doubt, Gauzy shall be obligated to have such acquirer or successor Covenant and Release if Gauzy assigns all or a part of the Patents.

14. ENTIRE AGREEMENT

This Agreement contains the entire understanding and agreement between the parties hereto and supersedes all other prior oral or written representations and understandings with respect to the subject matter of this Agreement.

15. AMENDMENTS

Unless otherwise provided herein, no amendment or other modification of this Agreement shall be valid or binding on either party unless reduced to writing and executed by authorized representatives of the parties.

16. NO WAIVER

The failure of either party to enforce, assert or insist upon compliance with any right, term or condition of this Agreement shall not constitute a waiver of that right, term or condition, or otherwise excuse any similar subsequent failure to honor any right or perform any such term or condition by the other party. No right, term, or condition of this Agreement may be waived unless waived in a writing executed by the party waiving said right, term or condition.

17. SEVERABILITY

The parties do not intend by this Agreement to violate any public policy or statutory or common law. However, if any Sections in this Agreement is in violation of any law or is found to be otherwise unenforceable by a court or administrative body of competent jurisdiction from which there is no appeal, or no appeal is taken, such Sections shall be deleted and the remainder of this Agreement shall remain binding, provided that such deletion does not alter the commercial or economic terms of this Agreement. The parties shall negotiate in good faith to substitute for any such invalid or unenforceable provision a valid and enforceable provision that achieves to the greatest extent possible the economic, legal and commercial objectives of the invalid or unenforceable provision.

18. EXECUTION PROCEDURE

One party makes two originals of this Agreement and its representative shall execute and send them to the other party. The representative of such other party shall execute them and send one original of this Agreement to the first party.

** Signature Page to Follow **

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized representatives as of the Effective Date first above written.

Resonac Corporation		**Gauzy Ltd.**	
Authorized Signature:		Authorized Signature:	
/s/ Yoshito ISHII		/s/ Eyal Peso	
Date of signature:	February 28, 2023	Date of signature:	2/28/2023
Name:	Yoshito ISHII	Name:	Eyal Peso,
Title:	Corporate Officer, Resonac Holdings Corporation General Manager, Mobility Business Headquarters, Resonac Coporation	Title:	CEO Gauzy Ltd.

Exhibit 10.23

Execution Version

NEITHER THIS NOTE PURCHASE AGREEMENT NOR THE NOTES ISSUED HEREUNDER HAVE BEEN REGISTERED PURSUANT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR QUALIFIED PURSUANT TO ANY APPLICABLE STATE SECURITIES LAW. THE NOTES ISSUED UNDER THIS NOTE PURCHASE AGREEMENT MAY BE RESOLD ONLY IF REGISTERED PURSUANT TO THE PROVISIONS OF THE SECURITIES ACT AND QUALIFIED PURSUANT TO APPLICABLE STATE SECURITIES LAWS OR IF AN EXEMPTION FROM SUCH REGISTRATION AND QUALIFICATION IS AVAILABLE, EXCEPT UNDER CIRCUMSTANCES WHERE NEITHER SUCH REGISTRATION, QUALIFICATION OR EXEMPTION IS REQUIRED BY LAW.

THE FRENCH SENIOR SECURED NOTES HEREUNDER HAVE BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT FOR U.S. FEDERAL INCOME TAX PURPOSES ("OID"). THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF SUCH NOTESMAY BE OBTAINED FROM THE ISSUERS BY CONTACTING: EYAL@GAUZY.COM AND MEIR.PELEG@GAUZY.COM

NOTE PURCHASE AGREEMENT

dated as of

January 9, 2024

among

VISION LITE SAS,
as Issuer,

THE OTHER NOTE PARTIES FROM TIME TO TIME PARTY HERETO,

THE PURCHASERS FROM TIME TO TIME PARTY HERETO,

and

OIC INVESTMENT AGENT, LLC,
as Administrative Agent and Collateral Agent

$23,500,000 Aggregate Principal Amount of

Senior Secured Notes due 2028

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This Note Purchase Agreement (this "Agreement") is dated as of January 9, 2024, amongGAUZY LTD., a limited liability company organized under the laws of the State of Israel, having its principal offices at 14 Hatchiya St., Tel Aviv, Israel 6816914 and whose registered number is 514335967 (the "Company"), VISION LITE SAS, a French *société par actions simplifée* having its registered office at Route d'Irigny, 69530 Brignais, France and whose registered number is 790 945 422 RCS Lyon (the "French Issuer", and together with each other Note Party designated as an additional Issuer in accordance with this Agreement, the "Issuers" and each an "Issuer"), other Persons party hereto that are designated as a "Note Party", the Purchasers (as defined herein) from time to time party hereto andOIC INVESTMENT AGENT, LLC, as the Administrative Agent (as defined herein) and the Collateral Agent (as defined herein).

WHEREAS, the Gauzy Companies develop, manufacture and market vision and light control technologies (the "Business");

WHEREAS, the Issuers have requested that Purchasers on the Closing Date extend financing to the Issuers in the amount of $23,500,000 to be drawn down by the Issuers by way of issuance and sale of Notes to the Purchasers, subject to the terms and conditions herein;

NOW, THEREFORE, in consideration of the mutual agreements and provisions herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Accrued Interest" means the payment-in-kind of interest in respect of the Notes by increasing the outstanding principal amount of the Notes.

"Additional Subsidiary Note Party" has the meaning assigned to it in Section 5.17.

"Administrative Agent" means OIC Investment Agent, LLC, in its capacity as administrative agent for the Purchasers hereunder, and any successor thereto pursuant toArticle VIII; provided that "Administrative Agent" shall be deemed to include Orion Energy Partners TP Agent, LLC with respect to its rights and obligations related to funded amounts by Purchasers that are not OIC, L.P. or its Affiliates, including under Section 2.10, Article VIII and Section 10.03.

"Administrative Questionnaire" means a questionnaire, in a form supplied by the Administrative Agent, completed by a Purchaser or an assignee of a Purchaser.

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Affiliate" means, with respect to a specified Person, another Person that at such time directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agent Reimbursement Amount" means any fees or other amounts payable to the Administrative Agent and the Collateral Agent, in their respective capacity as and in compensation of their respective role as the Administrative Agent and Collateral Agent, together with their respective successors in such capacity, under the terms of the Agent Reimbursement Letter or any replacement thereof.

"Agent Reimbursement Letter" means that certain Agent Reimbursement Letter, dated as of the date hereof, by and among the Company, the French Issuer, the Administrative Agent and the Collateral Agent.

"Agent or Discount Fees" means the Agent Reimbursement Amounts and any other fees payable in accordance withSection 2.06(a) or (b).

"Agents" means, collectively, the Administrative Agent and the Collateral Agent.

"Agreement" has the meaning assigned to such term in the preamble.

"Anti-Corruption Laws" means any law of any jurisdiction relating to corruption in which any Gauzy Company performs business, including the FCPA, the U.K. Bribery Act, Section E of Chapter 9 of the Israeli Penal Law, 5737-1977, and where applicable, legislation relating to corruption enacted by member states and signatories implementing the OECD Convention Combating Bribery of Foreign Officials.

"Anti-Corruption Prohibited Activity" means the offering, payment, promise to pay, authorization or the payment of any money or the offer, promise to give, given, or authorized giving of anything of value, to any Government Official or to any person under the circumstances where the Person, such Person's Affiliate's or such Person's representative knew or had reason to know that all or a portion of such money or thing of value would be offered, given or promised, directly or indirectly, to any Government Official, for the purpose of (a) influencing any act or decision of such Government Official in his or her official capacity, (b) inducing such Government Official to do or omit to do any act in relation to his or her lawful duty, (c) securing any improper advantage, or (d) inducing such Government Official to influence or affect any act or decision of any Governmental Authority, in each case, in order to assist such Person in obtaining or retaining business for or with, or in directing business to, any Person, in the case of any of clauses (a) through (d), in violation of any applicable Anti-Corruption Laws.

"Anti-Money Laundering Laws" means the U.S. Currency and Foreign Transaction Reporting Act of 1970, as amended, and all money laundering-related laws of the United States and other jurisdictions where such Person conducts business or owns assets, and any related or similar law issued, administered or enforced by any government authority.

"Applicable Law" means with respect to any Person, property or matter, any of the following applicable thereto: any constitution, writ, injunction, statute, law, regulation, ordinance, rule, judgment, rule of common law, order, decree, court decision, Authorization, approval, concession, grant, franchise, license, agreement, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing, by any Governmental Authority, whether in effect as of the date hereof or thereafter and, in each case, as amended, including Environmental Laws.

"Approved Affiliate" means each Affiliate or Approved Fund of OIC Investment Agent, LLC that is listed on Schedule 10.04.

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank Notes and similar extensions of credit in the ordinary course.

"Assignment and Assumption" means an assignment and assumption entered into by a Purchaser and an assignee (with the consent of any party whose consent is required by Section 10.04), in the form of Exhibit A or any other form approved by the Administrative Agent.

"Authorization" means any consent, waiver, variance, registration, filing, declaration, agreement, notarization, certificate, license, tariff, approval, permit, orders, authorization, exception or exemption from, by or with any Governmental Authority, whether given by express action or deemed given by failure to act within any specified period, and all corporate, creditors', shareholders' and partners' approvals or consents.

"Authorized Representative" means, with respect to any Person, the chief executive officer, the chief financial officer or any other appointed officer of such Person as may be designated from time to time by such Person in writing. Any document or certificate delivered under the Note Documents that is signed by an Authorized Representative may be conclusively presumed by the Administrative Agent and the Purchasers to have been authorized by all necessary corporate, limited liability company or other action on the part of the relevant Person.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" means (a) with respect to any EEA Member Country which has implemented Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the relevant implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule from time to time, (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings) and (c) in relation to any state other than such an EEA Member Country or the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation.

"Bankruptcy" means with respect to any Person (a) commencement by such Person of any case or other proceeding (i) under any law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, rehabilitation, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, rehabilitation, arrangement with its creditors, adjustment, winding-up, administration, liquidation, dissolution, composition or other relief (including a moratorium) with respect to it or its debts, or (ii) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets (whether temporary or permanent); (b) commencement against such Person of any case or other proceeding of a nature referred to in clause (a)(i) or (a)(ii) above which (i) results in the entry of an order for relief, a stay of proceedings, or any such adjudication or appointment or (ii) remains undismissed, undischarged or unbonded for a period of sixty (60) days; (c) commencement against such Person of any case or other proceeding seeking issuance of a warrant of attachment, execution or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; (d) such Person shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (a), (b) or (c) above; or (e) such Person shall admit in writing its inability to pay its debts as they become due or shall make a general assignment for the benefit of its creditors.

"Beneficial Ownership Certification" means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Board Observer Rights Agreement" means that certain Board Observer Rights Agreement, dated as of the date hereof, by and among the Company, the Purchasers and any other parties thereto.

"Business" has the meaning assigned to such term in the recitals.

"Business Day" means a day other than a Saturday, Sunday or other day on which commercial banks in New York City, New York, France or the State of Israel are authorized or required by law to close.

"Called Principal" means the aggregate principal amount of the Notes (for avoidance of doubt, excluding any Accrued Interest) that are to be paid or prepaid pursuant to this Agreement, including that has become or is declared to be immediately due and payable pursuant to the last paragraph of Section 7.01), as the context requires.

"Capital Expenditures" means with respect to any Person, the aggregate of all expenditures and costs (whether paid in cash or accrued as liabilities and including that portion of payments under Capital Lease Obligations that are capitalized on the balance sheet of such Person) by such Person and its Subsidiaries which are set forth in the consolidated financial statements of the Company for such ECF Period prepared in accordance with GAAP.

"Capital Lease Obligations" means, with respect to any Person, the obligations of such Person to pay rent or any other amounts under any lease of (or other arrangements conveying the right to use) real or personal property, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person in accordance with GAAP, and the amount of such obligations shall be the amount thereof capitalized in accordance with GAAP.

"Capital Rights" means all (a) options, warrants, purchase rights, conversion rights, convertible or exchangeable securities and other rights to subscribe for, purchase or otherwise acquire any Capital Stock, with or without payment of consideration, whether immediately or upon the occurrence of any specified date or event(s) or the satisfaction or any condition(s), and (b) rights that confer on any Person the economic benefits and/or burdens of any Capital Stock, including a share of the profits and/or losses of, or distribution of the assets of the issuer of such Capital Stock (whether through stock appreciation, phantom equity, profit participation or other similar rights).

"Capital Stock" means, with respect to any Person (other than any natural person), any and all corporate or capital stock, shares, partnership interests, limited liability company interests, membership interests or units, Capital Rights or any other equity interests (however designated, whether voting or nonvoting, ordinary or preferred) of such Person, now or hereafter outstanding.

"Cash Equivalents" means:

(a) direct obligations of or obligations guaranteed or insured by the government or any agency of the United States of America, the State of Israel, the United Kingdom, or any member nation of the European Union rated A-2 (or the equivalent thereof) or better by S&P or P-2 (or the equivalent thereof) or better by Moody's, in each case with maturities not exceeding two years, including treasury bills issued by the State of Israel ("Makam") and bonds issued by the State of Israel;

(b) time deposit accounts with, certificates of deposit and money market deposits (including short term deposits ("Pakam") and Israeli money market funds "keren neemanut kaspit"), maturing within 12 months from the date of acquisition thereof, issued by, a bank or trust company (i) having capital, surplus and undivided profits in excess of (x) $250,000,000 in the case of U.S. banks and (y) $100,000,000 (or the equivalent thereof in any other currency as of the date of determination) in the case of non-U.S. banks, or (ii) whose long-term debt, or whose parent holding company's long-term debt, is rated A-2 (or such similar equivalent rating or higher) by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act);

(c) repurchase obligations for underlying securities of the types described in clause (a) above entered into with a bank meeting the qualifications described in clause (b) above;

(d) commercial paper, maturing not more than 12 months after the date of acquisition, issued by a corporation (other than an Affiliate of the Company) organized and in existence under the laws of the United States of America or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of P-2 (or higher) according to Moody's or A-2 (or higher) according to S&P (or the equivalent thereof);

(e) securities with maturities of two years or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and having an investment grade rating by S&P or Moody's (or the equivalent thereof);

(f) shares of mutual funds whose investment guidelines restrict 90% of such funds' investments to those satisfying the provisions of clauses (a) through (e) above;

(g) taxable and tax-exempt auction rate securities rated AAA by S&P and Aaa by Moody's and with a reset of less than 90 days;

(h) money market funds that (i) comply with the criteria set forth in Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated A or higher by S&P and A-2 or higher by Moody's and (iii) have portfolio assets of at least $500,000,000; and

(i) cash.

"Change in Law" means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof (including any change in the reserve percentage under, or other change in, Regulation D) by any Governmental Authority after the date of this Agreement or (c) compliance by any Purchaser with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement. Notwithstanding anything herein to the contrary, (x) the Dodd Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Change of Control" means:

(a) Company shall cease to directly own 100% (on a fully diluted basis) of the aggregate voting and economic interests in the Capital Stock of (i) the French Issuer or (ii) any other Guarantor;

(b) at any time prior to consummation of a Qualified IPO, the Existing Owners shall collectively cease to, directly or indirectly, (i) own and control more than fifty percent (50%) of the outstanding Capital Stock of the Company or (ii) possess the right to elect (through contract, ownership of voting securities or otherwise) at all times a majority of the board of directors (or similar governing body) of the Company and to direct the management policies and decisions of the Company; or

(c) at any time on or after consummation of a Qualified IPO, any Person or "group" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act) other than the Existing Owners shall have (x) (i) acquired beneficial ownership or control of 35% or more of the voting power in the Capital Stock of the Company and (ii) acquired beneficial ownership or control of voting and/or economic interests in the Capital Stock of the Company in excess of those interests owned and controlled by the Existing Owners at such time; or (y) obtained the power (whether or not exercised) to elect a majority of the members of the board of directors (or similar governing body) of the Company.

"Chutzpah Documents" means the Note Documents (as defined in the Chutzpah NPA).

"Chutzpah NPA" means that certain Note Purchase Agreement, dated as of November 8, 2023 (as amended) among the French Issuer, the Company, other subsidiaries of the Company and Chutzpah Holdings, Ltd.

"Chutzpah Subordination Agreement" means the New York law subordination agreement in the form agreed between the Company, the French Issuer, Chutzpah Holdings, Ltd. and the Administrative Agent.

"Closing Date" means the date on or following the Effective Date on which all conditions precedent specified in Section 4.02 are satisfied (or waived by the Administrative Agent and the Purchasers in their sole discretion in accordance with Section 10.02).

"Closing Date Operating Budget" has the meaning given to such term in Section 4.02(e).

"Closing Date Outside Date" means January 26, 2024, or such later date as agreed to by the Administrative Agent.

"Closing Date Refinancing" means the repayment in full of the obligations under that certain Facility Agreement, dated as of January 19, 2022 (as amended) among Gauzy Ltd. and Vision Lite as the borrowers and the Lenders party thereto (the "KD Facility Agreement"), and the termination of all obligations and liens related thereto (other than the KD Facility Fee).

"Convertible Notes" has the meaning given to such term in Section 2.11(a).

"Code" means the U.S. Internal Revenue Code of 1986, as amended.

"Collateral" shall mean the assets, properties and rights granted as security in favor of the Collateral Agent pursuant to the Security Documents.

"Collateral Accounts" means all accounts of the Note Parties including the accounts listed on Schedule 3.23, in each case other than Excluded Accounts.

"Collateral Agent" means OIC Investment Agent, LLC, in its capacity as collateral agent for the Secured Parties under the Security Documents, and any permitted assignee or successor thereto pursuant Article VIII.

"Commitment" means, in the case of each Purchaser that is a Purchaser on the Effective Date, its obligation to purchase Notes from the Issuers pursuant to this Agreement, in an aggregate principal amount equal to the amount set forth opposite such Purchaser's name on Annex I under the caption Commitment, or in any Assignment and Assumption pursuant to which such Purchaser becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. The aggregate amount of the Commitments as of the Effective Date is $23,500,000 (not including the commitment to purchase the Convertible Notes and/or the Supplemental Notes pursuant to and in accordance with the provisions of this Section 2.11 and Annex III hereto).

"Common Stock" means shares of common Capital Stock of the same class or series as the Capital Stock of the registrant in the Qualified IPO that were sold to the public.

"Condemnation" means any taking, seizure, confiscation, requisition, exercise of rights of eminent domain, public improvement, inverse condemnation, condemnation, expropriation, nationalization or similar action of or proceeding by any Governmental Authority affecting any property of a Gauzy Company.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Default" means any event, condition or circumstance that, with notice or lapse of time or both, would (unless cured or waived) become an Event of Default.

"Discharge of Obligations" shall mean (a) payment in full in cash of (i) the outstanding principal amount of Notes, (ii) interest (including, without limitation, Accrued Interest, interest accruing at the then applicable rate provided in the applicable Note Document after the maturity of the Notes or other relevant Obligations and interest accruing after the filing of any Bankruptcy) and (iii) premium (including any Prepayment Premium, Supplemental Note Make-Whole and Minimum Return), if any, on all Indebtedness outstanding under the Note Documents, (b) the termination or expiration of all Commitments, if any, to extend credit that would constitute Obligations and (c) payment in full in cash of all other Obligations that are then due and payable or otherwise accrued, and full and final payment and discharge of all other outstanding Obligations, whether or not then due and payable (other than any inchoate indemnity obligations that expressly survive the termination of the underlying Note Documents).

"Disposition" means any sale, transfer or other disposition of any assets or property by any Person;provided that "Disposition" shall not to include any issuance or sale by such Person of its Capital Stock.

"Disqualified Purchaser" means any competitor of the Gauzy Companies that is identified in writing to the Administrative Agent (which list of competitors may be supplemented from time to time by the Company after the Effective Date) or any Affiliate of such Person; provided that any Disqualified Purchaser identified after the Effective Date may not apply retroactively to disqualify any person that has previously acquired an assignment or participation interest in the Notes or entered into a trade for either of the foregoing.

"Dollars" or "$" refers to the lawful currency of the United States of America.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clause (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"ECF Period" shall mean, each fiscal year of the Company commencing with the fiscal year 2024.

"ECF Prepayment Offer" has the meaning assigned to such term in Section 2.05(b).

"ECF Sweep Amount" means for each ECF Sweep Date, 25% of Excess Cash Flow.

"ECF Sweep Date" shall mean the first day following the date on which the financial statements for the calendar year is due to be delivered pursuant toSection 5.10(c) and the related certificate is due to be delivered pursuant to Section 5.10(g).

"Effective Date" means the date on or following the date of execution of this Agreement on which all conditions precedent specified in Section 4.01 are satisfied (or waived by the Administrative Agent and the Purchasers in their sole discretion in accordance with Section 10.02).

"Eligible IPO" means a Qualified IPO that is consummated within 12 months of the Closing Date and in which the gross proceeds from the sale of shares of Common Stock in the offering (excluding any shares to be purchased by OIC, L.P. or its Affiliates) shall be at least $60,000,000.

"Environment" means soil, surface water and groundwater (including potable water, groundwater and wetlands), the land, surface or subsurface strata or sediment, indoor and ambient air, and natural resources such as flora and fauna or otherwise defined in any Environmental Law.

"Environmental Claim" means any administrative or judicial action, suit, proceeding, notice, claim or demand by any Person seeking to enforce any obligation or responsibility arising under or relating to Environmental Law or alleging or asserting liability for investigatory costs, cleanup or other remedial costs, legal costs, environmental consulting costs, governmental response costs, damages to natural resources or other property, personal injuries, fines or penalties related to (a) the presence, or Release into the Environment, of any Hazardous Material at any location, whether or not owned by the Person against whom such claim is made, or (b) any violation of, or alleged violation of, or liability arising under any Environmental Law. The term "Environmental Claim" shall include, without limitation any claim by any Person for damages, contribution, indemnification, cost recovery, compensation or injunctive relief or costs associated with any remediation plan, in each case, under any Environmental Law.

"Environmental Laws" means any Applicable Laws regulating or imposing liability or standards of conduct concerning or relating to pollution or the protection of human health and safety, the Environment, natural resources or special status species and their habitat, including all Applicable Laws concerning the presence, use, manufacture, generation, transportation, Release, threatened Release, disposal, arrangement for disposal, dumping, discharge, treatment, storage or handling of Hazardous Materials.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Company, is treated as a single employer under Sections 414(b), (c), (m) or (o) of the Code.

"ERISA Event" means (a) a Reportable Event with respect to any Pension Plan, (b) the failure by any Pension Plan to satisfy the minimum funding standard (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such plan, whether or not waived, (c) the filing of a notice of intent to terminate a Pension Plan in a distress termination (as described in Section 4041(c) of ERISA), (d) a complete or partial withdrawal by the Company or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization or insolvent (within the meaning of Title IV of ERISA), (e) the imposition or incurrence of any liability under Title IV of ERISA, other than PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Issuer or any ERISA Affiliate, (f) the institution by the PBGC of proceedings to terminate a Pension Plan or Multiemployer Plan, (g) the appointment of a trustee to administer any Pension Plan under Section 4042 of ERISA, or (h) the imposition of a Lien upon the Company pursuant to Section 430(k) of the Code or Section 303(k) of ERISA.

"Erroneous Payment" has the meaning assigned to it in Section 8.10(a).

"Erroneous Payment Deficiency Assignment" has the meaning assigned to it in Section 8.10(d)(i).

"Erroneous Payment Impacted Class" has the meaning assigned to it in Section 8.10(d)(i).

"Erroneous Payment Return Deficiency" has the meaning assigned to it in Section 8.10(d)(i).

"Erroneous Payment Subrogation Rights" has the meaning assigned to it in Section 8.10(e).

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Event of Abandonment" means (a) the abandonment by the Gauzy Companies taken as a whole of the Business for a period of ninety (90) or more consecutive days; or (b) the written announcement by the Company of the intention to do any of the foregoing in clause (a).

"Event of Default" has the meaning assigned to such term in Section 7.01.

"Excess Cash Flow" shall mean, for any ECF Period, (i) the aggregate cash revenue received by the Gauzy Companies during such ECF Period minus (ii) the sum of (without duplication and, in each case, solely to the extent such amounts are not already deducted in the calculation of cash revenue for such ECF Period) (A) the aggregate amount of expenses relating to the cost of goods sold paid in cash by the Gauzy Companies during such ECF Period, plus (B) the aggregate amount of selling, general and administrative expenses paid in cash by the Gauzy Companies during such ECF Period, plus (C) the aggregate amount of Operating Expenses (other than any such expenses referred to in clauses (A), (B), (D), (E) and (F) of this definition) paid in cash by the Gauzy Companies during such ECF Period plus (D) the aggregate interest expense, premiums, increased costs, fees and indemnities in respect of the Obligations or any other Indebtedness (including payments of Prepayment Premium, Supplemental Note Make-Whole, Minimum Return, payments under Section 2.08(a) or Section 2.08(b), and agent reimbursement amounts under the Agent Reimbursement Letter) paid in cash by the Gauzy Companies during such ECF Period plus (E) the aggregate amount of federal, state and local taxes that are paid in cash by the Gauzy Companies during such ECF Period, including amounts paid to any Secured Party in respect of any Tax indemnity, gross up or similar obligation pursuant to the provisions of any Note Document, plus (F) the aggregate amount of unfinanced Capital Expenditures and research and development, in each case, that are paid in cash by the Gauzy Companies during such ECF Period, plus (G) an amount, not to exceed $1,500,000, required to be retained by the Company to comply with Section 6.09 as of the relevant ECF Sweep Date, in each case as specified in the consolidated annul financial statements of the Company and determined in accordance with GAAP (where applicable) for such ECF Period (provided that the difference between (i) and (ii) is a number greater than $0).

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Excluded Accounts" means any deposit account of the Note Parties (a) which is used solely as an escrow account or as a fiduciary or trust account or is otherwise held exclusively for the benefit of an unaffiliated third party, (b) which is used solely to pay payroll, employee wage and benefit payments or payroll taxes or (c) which contains less than $100,000 in the aggregate for any Note Party.

"Excluded Property" means, (a) any property to the extent that a grant of a security interest in such property is prohibited by a Governmental Authority, requires a consent not obtained of any Governmental Authority pursuant to Applicable Law or is prohibited by, or constitutes a breach or default under or results in the termination of lease, contract, Authorization, license, agreement, instrument or other document evidencing or giving rise to such property, or grants any Person (other than any Note Party) the right to terminate its obligations thereunder, or constitutes or results in the abandonment, invalidation or unenforceability of any right, title or interest of any Note Party therein, or requires any consent not obtained under, any lease, contract, Authorization, license, agreement, instrument or other document evidencing or giving rise to such property, except to the extent that the term in such lease, contract, Authorization, license, agreement, instrument or other document providing for such prohibition, breach, default or termination or requiring such consent is ineffective under Applicable Law (including, without limitation, pursuant to Section 9-406, 9-407, 9-408 or 9-409 of the UCC); provided that any such property shall constitute Excluded Property only to the extent and for so long as the consequences specified above shall exist and shall cease to be Excluded Property and shall become subject to the Lien of the Security Documents immediately and automatically, at such time as such consequence shall no longer exist; (b) any property owned or acquired by any Note Party that is subject to a purchase money Lien or a capital lease, in each case constituting Permitted Indebtedness, to the extent that such property is acquired or refinanced with the proceeds of such purchase money obligations, the Lien securing such purchase money obligations is a validly perfected Permitted Lien and the contract or other agreement in which such Permitted Lien is granted (or in the documentation providing for such capital lease) prohibits or requires the consent of any Person other than any Note Party as a condition to the creation of any other Lien on such equipment; (c) any intent-to-use trademark application prior to the filing of a "Statement of Use" or "Amendment to Allege Use" with respect thereto, to the extent, if any, that, and solely during the period, if any, in which, the grant of a security interest therein would impair the validity or enforceability of any registration issuing therefrom under applicable federal law; (d) any real property leasehold interests, or other license or occupancy agreements for the use, occupancy and operating of such property (including any requirement to obtain any landlord waivers, estoppels and consents); and (e) all property with respect to which the Company and the Administrative Agent reasonably agree that the costs of obtaining security interests therein are excessive in relation to the value of the security to be afforded thereby.

"Excluded Subsidiary" means any of the following: (a) each Immaterial Subsidiary, (b) any Subsidiary that is prohibited from guaranteeing the Obligations or that granting a Lien on the Capital Stock of such Subsidiary is prohibited (i) by, or which would require consent, approval, license or authorization to provide a Guarantee or grant a Lien on its Capital Stock under, any Governmental Authority or pursuant to Applicable Law, or (ii) by, or constitutes a breach or default under or results in the termination of any lease, contract, Authorization, license, agreement, instrument or other document, or grants any Person (other than any Note Party) the right to terminate its obligations thereunder, or constitutes or results in the abandonment, invalidation or unenforceability of any right, title or interest of any Note Party therein, or requires any consent not obtained under, any lease, contract, Authorization, license, agreement, instrument or other document, and (c) any other Subsidiary with respect to which, in the reasonable judgment of the Administrative Agent and the Company, the cost or other consequences (including any material adverse Tax consequences) of providing a guarantee or granting a Lien on the Capital Stock shall be excessive in relation to the value of the guarantee and/or security to be afforded thereby.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, imposed as a result of such Recipient being organized under the laws of, or having its principal office in the jurisdiction imposing such Tax (b) any United States federal withholding Taxes imposed under FATCA, and (c) any French withholding Tax levied on any payment due to a Recipient as a result of such Recipient (x) being incorporated, domiciled, or established in, or acting through, or (y) requesting to be paid on a bank account opened in the name of or for the benefit of such recipient to a financial institution situated in, any non-cooperative states and territories (*Etats et territoires non coopératifs*) within the meaning of Article 238-0 A of the French Code *général des impôts* other than those states and territories mentioned in 2° of 2 bis of Article 238-0 A of the French Code *général des impôts*.

"Existing Owners" means the Persons set forth on Schedule 1.01.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules, or practices adopted pursuant to any intergovernmental agreement, treaty, or convention among Governmental Authorities and implementing such Sections of the Code.

"FCPA" means the United States Foreign Corrupt Practices Act of 1977, as amended.

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Fee Letters" means (a) the Agent Reimbursement Letter and (b) the Purchaser Note Discount Letter.

"Financial Projections" means the projections of the Gauzy Companies' operating results (on a quarterly basis for the fiscal year immediately following the delivery date thereof and on an annual basis over a period ending on the Maturity Date) delivered to the Purchasers on or prior to the Closing Date pursuant to Section 4.01(d) and each update thereto pursuant to prepared by the Company and delivered to the Administrative Agent in accordance with Section 5.10(d).

"Foreign Plan" means any employee pension benefit plan, program, policy, arrangement or agreement maintained or contributed to by any Gauzy Company or with respect to which any Gauzy Company could reasonably be expected to have any liability, in each case with respect to employees employed outside the United States (as such term is defined in Section 3(10) of ERISA) (other than any arrangement with the applicable Governmental Authority).

"French Civil Code" means the French Code civil.

"French Commercial Code" means the French Code de commerce.

"French Guarantor" means any Guarantor incorporated in France.

"French Security" means any Lien created or expressed to be created under any French Security Document.

"French Security Documents" means:

(a) to be granted on the Closing Date:

(i) a French law governed pledge (*nantissement*) granted by the Company over the securities account on which are registered all the shares issued by the French Issuer;

(ii) a French law governed pledge (*nantissement*) granted by the Company over the intra-group receivables of the Company;

(iii) a French law governed pledge (*nantissement*) granted by the French Issuer over its bank accounts in France;

(iv) a French law governed pledge (*nantissement*) granted by the French Issuer over the intra-group receivables of the French Issuer;

(v) a French law governed pledge (*nantissement*) granted by the French Issuer over the securities account on which are registered all the shares issued by Gauzy SAS;

(vi) a French law governed pledge (*nantissement*) granted by the French Issuer over its Intellectual Property; and

(b) any other French law governed document creating or expressed to create a Lien as the Administrative Agent and the Company may agree would be granted by any Note Party following the Effective Date.

"French Senior Secured Notes" means all notes originally issued to Purchasers pursuant to this Agreement by the French Issuer or delivered in substitution or exchange therefor, being collectively called the "French Senior Secured Notes" and individually a "French Senior Secured Note".

"Fundamental Default" means an Event of Default specified in Section 7.01(a), (b) or (f) (solely with respect to any Note Party).

"GAAP" means generally accepted accounting principles in effect from time to time in the United States of America, applied on a consistent basis.

"Gauzy Companies" means, collectively, the Note Parties and their respective Subsidiaries from time to time.

"Gauzy Equity Document" means, collectively (a) the Board Observer Rights Agreement, (b) any Registration Rights Agreement, (c) the Warrant, (d) any agreement contemplated by (a) through (c) entered into on or after the Effective Date.

"German Guarantor" means any Guarantor incorporated in Germany.

"German Security Document" means the share pledge agreement over shares in Gauzy GmbH, a limited liability company with business address Buchenstr. 2, 72172 Sulz am Neckar, Germany, registered with the commercial register of the local court of Stuttgart under registration number HRB 768568.

"Government Official" means an official of a Governmental Authority.

"Governmental Authority" means any federal, tribal, regional, state or local government, or political subdivision thereof or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government and having jurisdiction over the Person or matters in question, including all agencies and instrumentalities of such governments and political subdivisions.

"Guarantee" means as to any Person (the "guaranteeing person"), any obligation of (a) the guaranteeing person or (b) another Person (including any bank under any letter of credit), if to induce the creation of such obligation of such other Person, the guaranteeing person has issued a reimbursement, counterindemnity or similar obligation, in either case guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any Property constituting direct or indirect security therefor, (ii) to advance or supply funds (A) for the purchase or payment of any such primary obligation or (B) to maintain working capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase Property, securities or services, in each case, primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; *provided* that (x) the term Guarantee shall not include endorsements of instruments for deposit or collection in the ordinary course of business and (y) standard contractual indemnities or product warranties provided in the ordinary course of business. The amount of any Guarantee of any guaranteeing person shall be deemed to be the lower of (x) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made and (y) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Company in good faith.

"Guarantee Requirement Date" has the meaning assigned to it in Section 5.17.

"Guaranteed Obligations" means, with respect to any Guarantor, the Obligations whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Note Party of any proceeding under any debtor relief law naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

"Guarantors" means the Company, French Issuer (other than in respect of its direct Obligations as a primary obligor), Gauzy USA, Inc. and Gauzy GmbH.

"Hazardous Material" means, but is not limited to, any solid, liquid, gas, odor, radiation or other substance or emission which is a contaminant, pollutant, dangerous substance, toxic substance, regulated substance, hazardous waste, subject waste, hazardous material or hazardous substance which is or becomes regulated by applicable Environmental Laws or which is classified as hazardous or toxic under applicable Environmental Laws (including gasoline, diesel fuel or other petroleum hydrocarbons, polychlorinated biphenyls, asbestos and urea formaldehyde foam insulation) or with respect to which liability or standards of conduct are imposed under any Environmental Laws.

"Highest Lawful Rate" means with respect to each Purchaser, the maximum nonusurious interest rate, if any, that may be contracted for, taken, reserved, charged or received on the Notes under laws applicable to such Purchaser which are in effect at the relevant time.

"IIA" means the Israeli Innovation Authority (formerly known as the Office of the Chief Scientist).

"IIA-Funded Know-How" means the Intellectual Property forming part of the Collateral that was developed with the support of the IIA, including any rights derived therefrom.

"IIA Provision" has the meaning assigned to such term in Section 10.19.

"IIA Undertaking" means an undertaking letter from the Collateral Agent to the IIA substantially in the form required by the IIA.

"Immaterial Subsidiary" means each Subsidiary that, as of the last day of the fiscal quarter of the Company most recently ended for which financial statements have been delivered pursuant to Section 5.10(b) and (c), had total assets for such quarter equal to or less than 15.0% of the consolidated total assets of the Company and its Subsidiaries for such fiscal quarter.

"Indebtedness" of any Person means, without duplication, all (a) indebtedness for borrowed money and every reimbursement obligation with respect to letters of credit, bankers' acceptances or similar facilities, (b) obligations evidenced by bonds, debentures, notes or other similar instruments, (c) obligations to pay the deferred purchase price of property or services, except (i) accounts payable and accrued expenses arising in the ordinary course of business and payable within 365 days past the later of the original invoice or billing date thereof and (ii) accrued pension costs and other employee benefit and compensation obligations arising in the ordinary course of business, (d) liabilities under interest rate or currency Swap Agreements, interest rate or currency collar agreements and all other agreements or arrangements designed to protect against fluctuations in interest rates and currency exchange rates, (e) the capitalized amount (determined in accordance with GAAP) of all payments due or to become due under all leases and agreements to enter into leases required to be classified and accounted for as a capital lease in accordance with GAAP, (f) reimbursement obligations (contingent or otherwise) pursuant to any performance bonds or collateral security, (g) Indebtedness of others described in clauses (a) through (f) above secured by (or for which the holder thereof has an existing right, contingent or otherwise, to be secured by) a Lien on the property of such Person, whether or not the respective Indebtedness so secured has been assumed by such Person and (h) Indebtedness of others described in clauses (a) through (g) above guaranteed by such Person. The Indebtedness of any Person shall include the Indebtedness of any partnership in which such Person is a general partner to the extent such Person is liable therefor as a result of such Person's general partner interest in such partnership, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

"Indemnified Party" has the meaning assigned to such term in Section 10.03(b).

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment or deemed payment made or deemed or delivery made by or on account of any obligation of any Note Party under this Agreement or any Note Document (subject to Annex III and the Warrant) and (b) Other Taxes.

"Independent Auditor" means (a) PwC or any other "big four" accounting firm as selected by the Company and notified to the Administrative Agent, or (b) such other firm of independent public accountants of recognized national standing in the United States selected by the Company and acceptable to the Administrative Agent, acting reasonably.

"Intellectual Property" means the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including copyrights, patents, trademarks, service marks, trade dress, domain names, trade secrets, and all intellectual property rights in social media accounts/user names/handles, technology, inventions, know-how and processes, Software, data and database rights, and all other proprietary rights.

"Interest Holiday Period" has the meaning assigned to such term in Section 2.07(e).

"Interest Rate" means a rate per annum equal to 14.00%.

"Investment" means for any Person (a) the acquisition (whether for cash, Property of such Person, services or securities or otherwise) of Capital Stock, bonds, notes, debentures, debt securities or hybrid securities (whether or not convertible or exchangeable into Capital Stock) of, or any Property constituting an ongoing business, line of business, division or business unit of or constituting all or substantially all the assets of, or the making of any capital contribution to, any other Person, (b) the making of any advance, loan or other extension of credit to, any other Person (including the purchase of Property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such Property to such Person, but excluding any such advance, loan or extension of credit having a term not exceeding one hundred eighty (180) days representing the purchase price of inventory or supplies sold in the ordinary course of business, (c) the entering into of any Guarantee with respect to Indebtedness or other liability of any other Person, and (d) any other investment that would be classified as such on a balance sheet of such Person in accordance with GAAP.

"IPO Entity" means, at any time upon and after a Qualified IPO, either the Company or a Parent Entity of the Company, as the case may be, the Capital Stock of which were (x) issued or otherwise sold in a Qualified IPO or (y) purchased or otherwise acquired, by merger, consolidated or otherwise, in a transaction described in the definition of Qualified IPO; provided that, immediately following the Qualified IPO, unless the Company is the IPO Entity, the Company is a direct or indirect wholly-owned subsidiary of such IPO Entity and such IPO Entity owns, directly or through its subsidiaries, substantially all the businesses and assets owned or conducted, directly or indirectly, by the Company immediately prior to the Qualified IPO.

"Israeli Companies Law" means the Israeli Companies Law, 5759-1999, as amended from time to time, and any regulations promulgated thereunder.

"Israeli Fixed and Floating Charge Debenture" means the Israeli law fixed and floating charge debenture, dated on or about the hereof, by and between the Company and the Collateral Agent, creating an Israeli law floating charge over all of the Company's assets (other than Excluded Property) and an Israeli law fixed and floating charge over the assets specified therein in favor of the Collateral Agent (on behalf of the Secured Parties).

"Israeli Guarantor" means any Guarantor incorporated in Israel.

"Israeli Insolvency Law" means the Israeli Insolvency and Economic Rehabilitation Law, 5778-2018, as amended from time to time, and any regulations promulgated thereunder.

"Israeli R&D Law" means the Israeli Encouragement of Research, Development and Technological Innovation in Industry Law, 5744-1984, as amended from time to time, and any regulations promulgated thereunder.

"Israeli Security Documents" means the Israeli Fixed and Floating Charge Debenture. "Issuers" has the meaning assigned to such term in the preamble.

"Issuers" has the meaning assigned to such term in the preamble.

"KD Facility Agreement" has the meaning assigned to such term in the definition of Closing Date Refinancing.

"KD Facility Fee" means 50% of the "additional consideration" payable in accordance with Section 21 of the KD Facility Agreement (as in effect on the date hereof), which shall remain due and payable in accordance with their terms after the Closing Date.

"Knowledge" or a similar phrase used with respect to the Note Parties or Gauzy Companies to qualify a representation or warranty of the Note Parties or Gauzy Companies means the actual knowledge (after reasonable investigation and assuming such knowledge as the individual would have as a result of the reasonable performance of his or her duties in the ordinary course) of the CEO and any C-level officer reports directly to the CEO of the Company and the French Issuer.

"Lien" means any mortgage, charge, pledge, lien (statutory or other), privilege, security interest, hypothecation, collateral assignment or preference, priority or other security agreement, mandatory deposit arrangement, preferential arrangement, easement, lease, title defect, restriction or other encumbrance upon or with respect to any property of any kind, real or personal, movable or immovable, now owned or hereafter acquired (including any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing and the filing of any financing statement under the Uniform Commercial Code or comparable law of the relevant jurisdiction).

"Material Adverse Effect" means a material adverse effect on: (a) the business, assets, properties (including any Intellectual Property), operations, or financial condition of the Gauzy Companies, taken as a whole; (b) the ability of the Note Parties, taken as a whole, to perform their payment obligations under the Note Documents in accordance with the terms thereof; or (c) the rights and remedies of the Secured Parties, taken as a whole, under the Note Documents.

"Maturity Date" means the earlier to occur of (a) (x) in the case of Notes (other than the Supplemental Notes), November 8, 2028 (y) in the case of any Supplemental Notes, the date that is 3 months after the Supplemental Notes Issuance Date (or such later date as is approved by the Administrative Agent), and (b) the date upon which the entire outstanding principal amount of the Notes, together with all unpaid interest, fees, charges and costs, shall be accelerated in accordance with this Agreement.

"Minimum Return" means an amount (if any) necessary for the Purchasers to achieve a 1.40 to 1.00 return on the aggregate original principal amount of all Notes (other than Supplemental Notes and Convertible Notes) issued hereunder (the calculation of which shall take into account the aggregate amount of OID, all Prepayment Premium, Accrued Interest and interest paid in cash in respect of Called Principal on or prior to the date of prepayment or repayment of such Called Principal, but shall not include any amounts received by any Purchaser pursuant to the Warrant or the exercise thereof).

"Moody's" means Moody's Investors Service, Inc., or any successor to the rating agency business thereof.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA that is subject to Title IV of ERISA to which any Gauzy Company contributes or is obligated to contribute, or with respect to which any Gauzy Company has or could reasonably be expected to have any liability.

"Note" or "Notes" shall mean the French Senior Secured Notes and any other Senior Secured Notes, collectively, in each case, authorized for issuance and sale and issued by the Issuers, respectively, in accordance with this Agreement, as amended from time to time, and all notes issued in exchange, substitution or replacement therefor.

"Note Documents" means this Agreement, the Agent Reimbursement Letter, the Purchaser Note Discount Letter, the Security Documents, and each certificate, agreement, instrument, waiver, consent or document executed by a Note Party, identified by its terms as a "Note Document" and delivered by or on behalf of a Note Party to Agent or any Purchaser in connection with or pursuant to any of the foregoing.

"Note Parties" means, collectively, the Issuers and each other Guarantor.

"Note Party Intellectual Property" means all Intellectual Property (including registered Intellectual Property) owned, controlled, used or held for use by any Note Party or Subsidiary in connection with the operation of the business of the Note Parties and their Subsidiaries as now conducted and as currently proposed to be conducted.

"Notice of Issuance" means a written notice of issuance substantially in the form of Exhibit C.

"Obligations" means all advances to, and debts (including Accrued Interest, interest accruing after the maturity of the Notes and interest accruing after the filing of any Bankruptcy), liabilities, obligations, Supplemental Note Make-Whole and Prepayment Premium MOIC Amount of, any Note Party owing to the Purchasers arising under any Note Document (which for the avoidance of doubt would not include any obligations under the Warrant), or otherwise with respect to any Notes, in each case whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising.

"Officer's Certificate" means, with respect to any Note Party, a certificate signed by an Authorized Representative of such Note Party.

"OIC Entity" means each of OIC Investment Agent, LLC or any of its Affiliates.

"Operating Budget" means (a) the Closing Date Operating Budget and (b) each annual operating plan and budget prepared by the Company and delivered in accordance with Section 5.10(f).

"Operating Expenses" means any and all of the expenses paid or payable by or on behalf of the Gauzy Companies in relation to the operation of its Business, but exclusive of payments in respect of payments of principal in respect of the Obligations or any other Indebtedness, as set forth in the consolidated financial statements of the Company for such ECF Period. Operating Expenses do not include non-cash charges, including depreciation, amortization, income taxes, non-cash taxes or other bookkeeping entries of a similar nature.

"Organizational Documents" means, with respect to any Person, (i) in the case of any corporation, the certificate of incorporation (if any), by-laws, shareholder or investor rights agreement, the memorandum of association and the articles of association (or similar documents) of such Person, as applicable, (ii) in the case of any limited liability company, the certificate of formation and operating agreement (or similar documents) of such Person, (iii) in the case of any limited partnership, the certificate of formation and limited partnership agreement (or similar documents) of such Person, (iv) in the case of any general partnership, the partnership agreement (or similar document) of such Person and (v) in any other case, the functional equivalent of the foregoing (or similar document) executed, adopted or filed in connection with the creation, formation, organization or governance of such Person or otherwise to provide for the rights and/or obligations of the holders of Capital Stock of such Person with respect to each other and such Person.

"Other Taxes" means any and all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes arising from any payment made under any Note Document or from the execution, delivery, performance, registration or enforcement of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Note Document, and, excluding, for the avoidance of doubt, Excluded Taxes.

"Parent Entity" means any direct or indirect parent entity of the Company (other than a Person formed in connection with, or in contemplation of, a Change of Control transaction that results in a modification of the beneficial ownership of the Company) that beneficially owns Capital Stock representing 100% of the aggregate ordinary voting power represented by the issued and outstanding Capital Stock of the Company; provided that the ultimate beneficial ownership of the Company has not been modified by the transaction by which such parent entity became the beneficial owner of Capital Stock representing 100% of the aggregate ordinary voting power represented by the issued and outstanding Capital Stock of the Company.

"Participant" has the meaning assigned to such term in Section 10.04(f).

"Participant Register" has the meaning assigned to such term in Section 10.04(f).

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Pension Plan" means any employee pension benefit plan as defined in Section 3(2) of ERISA (other than a Multiemployer Plan) that is subject to the provisions of Title IV or Section 302 of ERISA, or Section 412 of the Code, and in respect of which any Gauzy Company is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA or with respect to which any Gauzy Company has or could reasonably be expected to have any liability.

"Permitted Contest Conditions" means, with respect to any Gauzy Company, a contest, pursued in good faith, by appropriate proceedings timely instituted if (a) such Gauzy Company diligently pursues such contest, and (b) such Gauzy Company establishes adequate reserves with respect to the contested claim if and to the extent required by GAAP.

"Permitted Indebtedness" has the meaning assigned to such term in Section 6.02.

"Permitted Lien" means,

(a) with respect to any property (other than Capital Stock), any of the following:

(i) Liens arising by reason of:

(A) taxes, assessments or governmental charges either secured by a bond or which are not yet due or payable, or which are being contested pursuant to the Permitted Contest Conditions;

(B) security, pledges or deposits in the ordinary course of business for payment of workmen's compensation or unemployment insurance or other types of social security benefits;

(C) licenses of trademarks, tradenames, copyrights, patents and other Intellectual Property granted in the ordinary course of business; and

(D) good faith deposits or pledges incurred or created in connection with or to secure the performance of bids, tenders, contracts (other than contracts for the payment of money), leases, statutory obligations, surety bonds, custom or appeal bonds, performance bonds, bankers acceptance facilities and other obligations of a like nature, in each case entered into in the ordinary course of business or under Applicable Law.

(ii) Liens of mechanics, carriers, landlords, warehousemen, materialmen, laborers, repairmen's or suppliers or any similar Liens arising by operation of law or contract incurred in the ordinary course of business with respect to obligations which are

(a) not yet delinquent or (b) which are being contested pursuant to the Permitted Contest Conditions;

(iii) Liens arising out of judgments that do not constitute an Event of Default;

(iv) Liens arising with respect to zoning restrictions, easements, leases, subleases, licenses, sublicenses, reservations, covenants, rights-of-way, utility easements, building restrictions and other similar charges or encumbrances on the use of real property which in each case, individually or in the aggregate, do not materially detract from the value of the affected property and do not materially interfere with the use or operation of the affected property in the ordinary conduct of the business of such Gauzy Company and any interest or title (and all encumbrances and other matters affecting such interest or title) of a lessee, licensee, sublessee or sublicensee thereunder;

(v) Liens or the interests of lessors to secure purchase money obligations permitted under Section 6.02(b) or Section 6.02(g); *provided* that, in each case, such Lien encumbers only the specific goods or equipment so purchased or sold, as applicable, and proceeds thereof;

(vi) Liens arising under ERISA and Liens arising under the Code with respect to an employee benefit plan (as defined in Section 3(2) of ERISA) that do not constitute an Event of Default under Section 7.01(i);

(vii) Liens or pledges over operating accounts of any Gauzy Company specified in Schedule 3.23 as being subject to a Lien (or any replacement account notified by such Gauzy Company from time to time), in favor of the bank or financial institution with which that account is maintained, securing Indebtedness incurred by that Gauzy Company in connection with banking services and financial arrangements offered or made available by that bank or financial institution to the extent permitted under Section 6.02(g);

(viii) Liens created under the Security Documents;

(ix) Liens created under the Chutzpah Documents; *provided* that such Liens shall remain junior in priority with the Liens securing the Obligations and shall be subject to the Chutzpah Subordination Agreement;

(x) Liens created under the Subordinated Shareholder Loans; *provided* that such Liens shall remain junior in priority with the Liens securing the Obligations and shall be subject to the Shareholder Subordination Letters;

(xi) Liens or pledges of deposits of cash securing (i) the performance of bids, contracts, leases, statutory obligations, surety and appeal bonds, performance bonds or other surety obligations entered into in the ordinary course of business or under Applicable Law and (ii) reimbursement obligations with respect to letters of credit to the extent permitted under Section 6.02(e)(ii);

(xii) (i) Liens relating to banker's liens, rights of set-off or similar rights and remedies and burdening only deposit accounts or other funds maintained with a creditor depository institution, in each case, granted in the ordinary course of business in favor of such creditor depositary institution, provided that no such deposit account is a dedicated cash collateral account or is subject to restrictions against access by the depositor in excess of those set forth by regulations promulgated by the Board and no such deposit account is intended by the Company to provide collateral to the depository institution and (ii) Liens in favor of a banking or other financial institution arising as a matter of law or in the ordinary course of business under customary general terms and conditions encumbering deposits or other funds maintained with a financial institution (including the right of setoff) and that are within the general parameters customary in the banking industry or arising pursuant to such banking institution's general terms and conditions;

(xiii) Liens or pledges of deposits of cash securing deductibles, self-insurance, co-payment, co-insurance, retentions or similar obligations to providers or property, casualty or liability insurance in the ordinary course of business;

(xiv) Liens made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations (including Liens granted in order to comply with the requirements of section 8a of the German Partial Retirement Act (*Altersteilzeitgesetz*) or of section 7e of the German Social Code IV (*SGB IV*);

(xv) Liens required to be granted under mandatory law in favor of creditors as a consequence of a merger or conversion permitted under this Agreement due to sections 22, 204 German Transformation Act (*Umwandlungsgesetz – UmwG*) or a termination of a profit and loss pooling agreement (*Beherrschungs- und Gewinnabführungsvertrag*) pursuant to section 303 German Stock Corporation Act (*Aktiengesetz – AktG*); and

(xvi) customary rights of set off, bankers' liens, refunds or charge backs, under deposit agreements, the Uniform Commercial Code or any other Law, including common law, of banks or other financial institutions where any Note Party or any of such Note Party's Subsidiaries maintains deposits in the ordinary course of business (including Liens under the German general terms and conditions of banks and saving banks (*Allgemeine Geschäftsbedingungen der Banken und Sparkassen*);

(b) means, with respect to any Capital Stock, Liens arising under the Security Documents.

"Permitted Refinancing" means, with respect to any Indebtedness (the "Refinanced Indebtedness"), the incurrence of any Indebtedness in exchange for or as a replacement of (including by entering into alternative financing arrangements in respect of such exchange or replacement (in whole or in part), by adding or replacing lenders, creditors, agents, borrowers and/or guarantors, or, after the original instrument giving rise to such Indebtedness has been terminated, by entering into any credit agreement, loan agreement, note purchase agreement, indenture or other agreement), or the net proceeds of which are to be used for the purpose of any modification, refinancing, refunding, replacing, redeeming, repurchasing, defeasing, acquiring, amending, supplementing, restructuring, repaying, prepaying, retiring, extinguishing, renewal or extension of such Indebtedness (collectively, to "Refinance" or a "Refinancing" or "Refinanced"); provided that (a) the principal amount (or accreted value, if applicable) thereof does not exceed the principal amount (or accreted value, if applicable) of the Refinanced Indebtedness except (i) by an amount equal to unpaid accrued interest, dividend and premium (including tender premiums) thereon plus defeasance costs, underwriting discounts, other amounts paid, and fees, commissions and expenses (including upfront fees or similar fees, original issue discount or initial yield payments) incurred, in connection with such Refinancing, (ii) by an amount equal to any existing revolving commitments unutilized thereunder to the extent that the portion of any existing and unutilized revolving commitment being refinanced was permitted to be drawn under Section 6.02 immediately prior to such refinancing (other than by reference to a Permitted Refinancing) and such drawing shall be deemed to have been made and (iii) to the extent such excess amount is otherwise permitted to be incurred under Section 6.02, and (b) to the extent the Refinanced Indebtedness was secured by a Lien on the Collateral, no Lien on the Collateral securing the Indebtedness resulting from such Refinancing shall be more senior in priority relative to the Lien on the Collateral that secured the Refinanced Indebtedness and to the extent the Refinanced Indebtedness is unsecured, the Indebtedness resulting from such Refinancing shall be unsecured or, secured by the Collateral to the extent otherwise permitted pursuant to Section 6.03. For the avoidance of doubt, it is understood and agreed that a Permitted Refinancing includes successive Permitted Refinancings of the same Indebtedness.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Post-Default Rate" means a rate per annum which is equal to the sum of 2.00% per annum*plus* the Interest Rate.

"Prepayment Offer Deadline" has the meaning assigned to such term in Section 2.05(c)(iii).

"Prepayment Premium" means, with respect to any Called Principal, an amount equal to the Prepayment Premium MOIC Amount on the Called Principal, as reasonably determined by the Administrative Agent in the form of the Prepayment Premium calculation set forth on Annex II.

"Prepayment Premium Event" has the meaning assigned to such term in Section 2.05(c)(iv).

"Prepayment Premium MOIC Amount" means, with respect to any Called Principal, the positive difference (if any) of (i) the product of (A) the Called Principal multiplied by (B) 1.40 less (ii) the sum of (A) the Called Principal plus (B) the aggregate amount of interest on such prepaid principal amount paid or to be paid in cash to the Purchasers prior to the date of such prepayment (exclusive of any portion of such interest that accrued at the Post-Default Rate which has not been paid to, or collected by, the Agents), plus (C) the aggregate amount of Agent or Discount Fees in relation to the prepaid principal amount, plus (D) the Accrued Interest on such prepaid principal amount paid in-kind in accordance with this Agreement, plus (E) the amount of interest on such prepaid principal amount to be paid in cash to the Purchasers on or prior to the date of such repayment or prepayment (exclusive of any portion of such interest that accrued at the Post-Default Rate which has not been paid to, or collected by, the Agents).

"Projections" has the meaning assigned to such term in Section 3.12(b).

"Property" means any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, including Intellectual Property.

"Purchaser" or "Purchasers" means each Person that has executed and delivered this Agreement as a "Purchaser" and such Person's permitted successors and assigns in accordance with this Agreement.

"Purchaser Note Discount Letter" means that certain Note Discount Letter, dated as of the date hereof, by and among Issuer and each Purchaser.

"Purchasing Office" means the office designated as such beneath the name of a Purchaser set forth on Annex I to this Agreement or such other office of such Purchaser as such Purchaser may specify in writing from time to time to the Administrative Agent and the respective Issuer.

"Qualified Officer" means (a) Eyal Peso, as chief executive officer of the Company, (b) Adrian Lofer, as chief technical officer of the Company, or (c) any natural person in a position substantially similar to a position contemplated by clauses (a) or (b) and who shall have been appointed in accordance with Section 5.24.

"Qualified IPO" means, with respect to Qualified IPO Registrant, a "Qualified IPO" (as defined in the articles of association of the Company as in effect from time to time).

"Qualified IPO Registrant" means the Company, any Parent Entity or any IPO Entity.

"Quarterly Date" means the last Business Day of September, December, March and June in each fiscal year, the first of which shall be the first such day after the date hereof.

"Real Property" means all parcels of real property owned or leased by the Note Parties (or in which the Note Parties hold an easement or similar interest) together with all of the Note Parties' interests in all improvements and appurtenant fixtures, equipment, personal property, easements and other property and rights incidental to the ownership, lease or operation thereof.

"Recipient" means any Agent and any Purchaser.

"Refinance" or a "Refinancing" or "Refinanced" has the meaning assigned to such term in the definition of "Permitted Refinancing".

"Refinanced Indebtedness" has the meaning assigned to such term in the definition of "Permitted Refinancing".

"Register" has the meaning assigned to such term in Section 10.04(c).

"Registration Rights Agreement" means the Amended and Restated Investors' Rights Agreement dated January 27, 2022 by and among the Company and the investors parties

thereto to which Purchasers shall join as parties on or after the Closing Date (and, if applicable, any other registration rights agreement, by and among each Issuer and any Purchaser or its Affiliates).

"Regulation D" means Regulation D of the Board.

"Regulation U" means Regulation U of the Board.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Release" means any release, spill, emission, emanation, leaking, pumping, pouring, injection, deposit, disposal, discharge, dispersal, leaching or migration into or through the indoor or outdoor Environment, including the movement through ambient air, soil, surface water, ground water, wetlands, land or subsurface strata.

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30-day notice period has been waived.

"Required Purchasers" means, as of any date, (i) so long as any Notes are held by any OIC Entity, Purchasers that are OIC Entities, and (ii) at any other time, Purchasers having aggregate principal amount representing more than fifty percent (50%) of the Notes outstanding on such date; *provided* that any Notes held by any Note Party or any of its Subsidiaries shall be excluded.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority or (in relation to any statute other than an EEA Member Country or the United Kingdom) any body which has authority to exercise any Write-down and Conversion Powers.

"Restricted Payment" means any dividend paid by any Gauzy Company (in cash, Property or obligations) on, or other payments or distributions on account of, or the setting apart of money for a sinking or other analogous fund for, or the purchase, redemption, retirement or other acquisition by any Gauzy Company of, any portion of any Capital Stock in any Gauzy Company.

"Risk Mitigation Plan" means the setting up of backup production of PDLC and SPD emulsion in Germany, with capacity sufficient to enable the Gauzy Companies to meet the Closing Date Operating Budget (as in effect on the Closing Date).

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., or any successor to the rating agency business thereof.

"Sanctioned Country" means, at any time, a country or territory that is subject to comprehensive territorial Sanctions. For the avoidance of doubt, Sanctioned Countries currently include the Crimea region of Ukraine, the so-called Donetsk People's Republic, the so-called Luhansk People's Republic, Cuba, Iran, Lebanon, North Korea and Syria.

"Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC") or the U.S. Department of State, or by the United Nations Security Council, the European Union or any EU member state, His Majesty's Treasury of the United Kingdom or the Government of the State of Israel (acting through the Israeli Ministry of Economy or the Israeli Ministry of Defence), (b) any Person operating, organized or resident in a Sanctioned Country, (c) the government of Sanctioned Country or the Government of Venezuela; or (d) any Person 50% or more owned or controlled by any such Person or Persons.

"Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the OFAC or the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any European Union member state, His Majesty's Treasury of the United Kingdom, or the Government of the State of Israel (acting through the Israeli Ministry of Economy or the Israeli Ministry of Defence).

"Secured Parties" means, collectively, (a) the Agents and (b) the Purchasers.

"Securities Act" means the Securities Act of 1933, as amended.

"Security Documents" means the French Security Documents, the German Security Document, the Israeli Security Documents and Form 10 registration forms (for purposes of filing with Israeli Registrar of Companies) required by any Security Document and any other security agreement or instrument to be executed or filed pursuant hereto or any other Note Document.

"Shareholder Subordination Letters" means, collectively, subordination agreements in the form agreed between the Company and the Administrative Agent.

"Software" means any and all (a) computer software, including source code and object code versions, systems, development and other applications and tools (including all software implementations of algorithms, models and methodologies (whether in source code or object code) and all descriptions, schematics, flow-charts and other work product used to design, plan, organize and develop any of the foregoing), (b) data and databases, and (c) related documentation for such computer software, data and databases (including user documentation, user manuals, specifications and training materials).

"Solvent" means, with respect to the Gauzy Companies on a particular date, that on such date (a) the fair value of the property of the Gauzy Companies, taken as a whole, is greater than the total amount of liabilities, including contingent liabilities of the Gauzy Companies, taken as a whole, (b) the Gauzy Companies, taken as a whole, do not intend to incur debts or liabilities beyond the Gauzy Companies', taken as a whole, ability to pay such debts and liabilities as they mature, and (c) the Gauzy Companies, taken as a whole, are not engaged in business or a transaction, and is not about to engage in business or a transaction, for which the Gauzy Companies', taken as a whole, property would constitute an unreasonably small capital; provided that unless otherwise provided under Applicable Law, the amount of contingent liabilities at any time shall be computed as the amount that, in light of all the facts and circumstances existing at such date, represents the amount that can reasonably be expected (as determined by the Company) to become an actual or matured liability.

"SPAC" has the meaning assigned to such term in the definition of "Qualified IPO" in this Section 1.01.

"Subordinated Intercompany Note" means the Subordinated Intercompany Note, substantially in the form of Exhibit D.

"Subordinated Shareholder Loans" means any amount extended by a shareholder (or its relative or an Affiliate of either of them) in any company and/or partner (or its relative or an Affiliate of either of them) of any partnership, or any other Interested Party (as defined in the Israeli Securities Law, 5728-1968, and all regulations, orders and rules issued thereunder), in any way and manner, and where the lender has rights to be repaid from such corporation (whether the principal amount or whether together with linkage differentials and/or interest), whether in the present or future, and not as a residual right following liquidation, and including any loans advanced to the Company pursuant to any convertible notes or other similar instruments. For avoidance of doubt the Indebtedness under the Chutzpah Documents is not included in the Subordinated Shareholder Loans.

"Subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of

which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing 50% or more of the equity or 50% or more of the ordinary voting power or, in the case of a partnership, 50% or more of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Supplemental Notes" has the meaning given to such term in Section 2.11(b).

"Supplemental Notes Issuance Date" has the meaning given to such term in Section 2.11(b).

"Supplemental Note Make-Whole" means, on any date with respect to any Supplemental Notes being prepaid or accelerated on such date, the positive difference (if any) of (i) the product of (A) the Called Principal of Supplemental Notes multiplied by (B) 1.035 less (ii) the sum of (A) the Called Principal of Supplemental Notes plus (B) the aggregate amount of interest on such prepaid principal amount paid or to be paid in cash to the Purchasers prior to the date of such prepayment (exclusive of any portion of such interest that accrued at the Post-Default Rate which has not be been paid to, or collected by, the Agents), plus (C) the amount of interest on such prepaid principal amount to be paid in cash to the Purchasers on or prior to the date of such repayment or prepayment (exclusive of any portion of such interest that accrued at the Post-Default Rate which has not be been paid to, or collected by, the Agents).

"Swap Agreement" means any agreement or instrument (including a cap, swap, collar, option, forward purchase agreement or other similar derivative instrument) relating to the hedging of any interest under any Indebtedness or hedging of the prices of products, inputs or environmental attributes.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholdings), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax, fines or penalties applicable thereto.

"Transaction Documents" means each of the Note Documents and the Gauzy Equity Documents.

"UCC" or "Uniform Commercial Code" means the Uniform Commercial Code as in effect from time to time in the State of New York; *provided* that if, with respect to any filing statement or by reason of any mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the security interests granted to the Collateral Agent pursuant to the applicable Security Document is governed by the Uniform Commercial Code as in effect in a jurisdiction of the United States other than New York, UCC means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions of each applicable Note Document and any filing statement relating to such perfection or effect of perfection or non-perfection.

"UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended form time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"United States" and "U.S." mean the United States of America.

"USA PATRIOT Act" has the meaning assigned to such term in Section 10.17.

"VAT" means value added tax chargeable under or pursuant to Council Directive 2006/112/EC or the Sixth Council Directive of the European Communities and any other similar tax, wherever imposed.

"Vesting Instruments" has the meaning assigned to such term in Section 3.16.

"Voluntary Equity Contributions" means documented voluntary, unconditional cash equity contributions made to the Company by a non-Gauzy Company after the Effective Date.

"Warrant" means, collectively, each Warrant to Purchase Preferred Shares to be entered into by and among the Company and a Warrant Holder on the Closing Date in the form agreed between the Administrative Agent and the Company.

"Warrant Holders" means the Persons to whom the warrants have been issued pursuant to the Warrant.

"Write-Down and Conversion Powers" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers, and (c) in relation to any other applicable Bail-In Legislation other than the Bail-In Legislation for any EEA Member Country or the UK Bail-In Legislation, (i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers and(ii) any similar or analogous powers under that Bail-In Legislation.

Section 1.02 Terms Generally. Except as otherwise expressly provided, the following rules of interpretation shall apply to this Agreement and the other Note Documents:

(a) the definitions of terms herein shall apply equally to the singular and plural forms of the terms defined;

(b) whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms;

(c) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation";

(d) the word "will" shall be construed to have the same meaning and effect as the word "shall";

(e) unless the context requires otherwise, any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or therein) and shall include any appendices, schedules, exhibits, clarification letters, side letters and disclosure letters executed in connection therewith;

(f) any reference herein to any Person shall be construed to include such Person's successors and assigns to the extent permitted under the Note Documents and, in the case of any Governmental Authority, any Person succeeding to its functions and capacities;

(g) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision;

(h) all references herein to Articles, Sections, Appendices, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Appendices, Exhibits and Schedules to, this Agreement;

(i) the word "or" is not exclusive; and

(j) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

Section 1.03 Accounting Terms. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP. If Issuer notifies the Administrative Agent that Issuer wishes to amend any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision, regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then Issuer's compliance with such provision shall be determined on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in a manner satisfactory to Issuer and the Administrative Agent. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed without giving effect to (i) any election under Financial Accounting Standards Board Accounting Standards Codification 825 (or any other Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of Issuer or any Subsidiary at "fair value", as defined therein and (ii) any treatment of Indebtedness under Accounting Standards Codification 470-20 or 2015-03 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof.

Section 1.04 Divisions. Any reference herein or in any other Note Document to a merger, transfer, consolidation, amalgamation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a division of or by a Person, or an allocation of assets to a series of a Person (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, assignment, sale or transfer or similar term, as applicable to, of or with a separate Person. Any division of a limited liability company shall constitute a separate Person hereunder and under any other Note Document (and each division of any limited liability company that is a Subsidiary, Affiliate, joint venture or any other like term shall also constitute such a separate Person or entity hereunder or any other Note Document).

Section 1.05 Israeli Terms. Where it relates to an entity incorporated, formed or established under Israeli law or a security document governed by the laws of Israel, a reference herein or therein to insolvency, bankruptcy, liquidation, receivership, administration, reorganization, dissolution, winding-up, relief of debtors, or similar proceedings hereunder shall also include the seeking of or decision or order relating to: (i) liquidation, winding-up, dissolution, administration or an arrangement ("*Hesder*") with creditors, as such terms are determined under the Israeli Companies Law and the Israeli Insolvency Law; (ii) the appointment of a receiver or trustee ("*ba'al tafkid*"), as such term is understood under the Israeli Insolvency Law; (iii) a reorganization order, freeze order, stay of proceedings order ("*Ikuv Halichim*") (or other similar remedy), relief of debtors, an order for commencing proceedings ("*Tzav le-Ptichat Halichim*"); or (iv) the recognition of a foreign proceeding with respect to an insolvency of a company ("*Hakara be Halich Zar*"), as such term is understood under the Israeli Insolvency Law.

Section 1.06 French Terms. Any reference herein or in any other Note Document, where it relates to any French entity and unless the contrary intention appears, to:

(a) an "administration", "winding-up" or "dissolution" includes a *redressement judiciaire*, *cession totale de l'entreprise*, a *liquidation judiciaire*, a *sauvegarde* (including a *sauvegarde accélérée*) under articles L. 620-1 to L. 670-8 of the French Commercial Code;

(b) a "composition", "assignment" or "arrangement with its creditors" includes a *conciliation* or a *procédure ad hoc* under articles L. 611-3 to L. 611-16 of the French Commercial Code;

(c) a "receiver", "trustee" or "other similar official" includes an *administrateur judiciaire*, *mandataire ad hoc*, *conciliateur*, *mandataire liquidateur* or any other person appointed as a result of any proceedings described in paragraph (g) below;

(d) a "moratorium" includes a *moratoire* under a *procédure de conciliation* within the meaning of articles L. 611-4 to L. 611-15 of the French Commercial Code;

(e) a "Subsidiary" means, in relation to any company, another company which is controlled by it within the meaning of paragraphs I and II of article L. 233-3 of the French Commercial Code; and

(f) an entity being "insolvent" includes that entity being in a state of *cessation des paiements* as defined in article L. 631-1 of the French Commercial Code

(g) an entity being "Solvent" includes that entity not being in a state of *cessation des paiements* as defined in article L. 631-1 of the French Commercial Code or not be subject to proceedings for *mandat ad hoc*, *conciliation*, *sauvegarde, sauvegarde accélérée*, *redressement judiciaire*, *liquidation judiciaire* or a judgment for *cession totale ou partielle de l'entreprise*.

Section 1.07 German Terms. In this Agreement, where it relates to any entity incorporated or established under the laws of Germany or the context so requires, unless a contrary indication appears, a reference to:

(a) a person being unable to pay its debts includes that person being in a state of Zahlungsunfähigkeit under Section 17 of the German Insolvency Act (*Insolvenzordnung*) or being overindebted (*überschuldet*) under Section 19 of the German Insolvency Act (*Insolvenzordnung*);

(b) a liquidator, trustee in bankruptcy, administrative receiver, receiver, administrator or compulsory manager includes an insolvency administrator (Insolvenzverwalter), interim insolvency administrator (*vorläufiger Insolvenzverwalter*) or custodian (Sachwalter) or interim custodian (*vorläufiger Sachwalter*);

(c) a corporate action, formal legal proceedings or other formal procedure or formal step taken for the winding up, administration or dissolution includes liquidation (*Liquidation*) and any action taken by the competent court as set out in Section 21 of the German Insolvency Act (*Insolvenzordnung*);

(d) a moratorium includes protective shield proceedings (Schutzschirmverfahren) and insolvency plan proceedings (*Insolvenzplanverfahren*);

(e) a director or manager of a company includes any statutory legal representative(s) (*organschaftlicher Vertreter*) of a person pursuant to the laws of its jurisdiction of incorporation, including with respect to a person incorporated or established in Germany, any managing director (*Geschäftsführer*), member of the board (*Vorstand*) or proxy (*Prokurist*);

(f) a guarantee includes any guarantee (*Garantie*), any indemnity, and any joint and several (*gesamtschuldnersich*) or independent obligation (*unabhängiges Schuldversprechen*) within the meaning of German law; and the constitutional, incorporation and registry documents and/or excerpts include the relevant entity's articles of association (*Satzung*) (as filed with the competent commercial register) or partnership agreement (*Gesellschaftsvertrag*), a recent online excerpt from the competent commercial register

(*elektronischer Abdruck aus dem Handelsregister*) and, as applicable, a copy of its list of shareholders (*Gesellschafterliste*) (as filed with the competent commercial register) and, as applicable, any by-laws (*Geschäftsordnungen*).

ARTICLE II

THE NOTES

Section 2.01 Commitment.

(a) Subject to the terms and conditions of this Agreement, each Purchaser shall purchase on the Closing Date Notes from the relevant Issuer in an aggregate principal amount not exceeding such Purchaser's Commitment.

(b) The principal amount of any Note repaid or prepaid may not be reissued or repurchased. The Commitment of each Purchaser shall be reduced by the aggregate principal amount of the Notes issued to such Purchaser on the Closing Date, contemporaneously with the issuance of such Notes and payment of the purchase price thereof.

(c) For U.S. federal income tax purposes only, each of the Note Parties and the Purchasers agree: (i) that the French Senior Secured Notes, together with the warrant for Preferred D-5 Shares (as defined in the Warrant) to be issued to the Warrant Holder representing 4.5% of the Company's share capital on a fully diluted basis as of the Closing Date granted to the Warrant Holders under the Warrant entered into on the Closing Date, shall be treated as an investment unit, and the purchase price of such investment unit shall equal the total purchase price paid by the Purchasers for the French Senior Secured Notes issued on the Closing Date, and such purchase price shall be allocated between such warrant and the French Senior Secured Notes based on their relative fair market values; and (ii) to treat the French Senior Secured Notes as a debt instrument, and not as a "contingent payment debt instrument," for U.S. federal and state income tax purposes. The Issuers will provide any information reasonably requested from time to time by any Purchaser regarding the original issue discount associated with the French Senior Secured Notes, if any, for U.S. federal income tax purposes. To the extent required to do so, each of the Issuers and the Purchasers agrees to file income Tax returns, reports or declarations and take any actions consistent with the treatment set forth in this clause (c). For all non-tax purposes, the Issuers and the Purchasers agree to treat each Purchaser as having purchased the full amount of its pro rata portion of the principal amount of the French Senior Secured Notes.

Section 2.02 Issuance Notification Procedure.

(a) Subject to the terms and conditions hereof, each Issuer shall be entitled to notify the Purchasers of an issuance of Notes by delivery of a Notice of Issuance, at least twelve (12) Business Days prior to the proposed Closing Date (or, in each case, such shorter notice period as is approved by the Administrative Agent in its reasonable discretion) to the Administrative Agent (provided that a Notice of Issuance may only be delivered to the Administrative Agent after each of this Agreement, the Warrant and the Shareholder Subordination Letters are in agreed form between the Company and Administrative Agent and the Chutzpah Subordination Agreement is in agreed form between the Company, Chutzpah Holdings and the Administrative Agent), specifying (i) the proposed Closing Date, which must be a Business Day, (ii) the principal amount of (in the case of the French Issuer) French Senior Secured Notes or (in the case of an Issuer which is not the French Issuer) other type of Senior Secured Notes (as applicable) to be issued to each Purchaser, (iii) the purchase price payable by each Purchaser for the Notes to be issued to it pursuant to this Agreement, and (iv) the wire instructions for delivery of the purchase price of the Notes to the Issuer. The Administrative Agent shall promptly advise the applicable Purchasers of any Notice of Issuance given pursuant to this Section (and the contents thereof).

(b) Subject to the terms and conditions set forth in this Agreement, including the satisfaction (or if applicable, waiver) of all of the conditions set forth in Section 4.02, on the Closing Date, the relevant Issuer will issue and sell to each of the Purchasers and each of the Purchasers, severally and not jointly, shall purchase from that Issuer, the French Senior Secured Notes to be purchased by each of them, in each case in accordance with the relevant Notice of Issuance.

(c) The consummation of the sale and purchase of the Notes to be purchased under this Agreement shall take place remotely via the electronic exchange of documents and signatures (or electronic counterparts) and transfer of the purchase price of the Notes in accordance with the relevant Notice of Issuance on the Closing Date (or such other time and place as the parties shall agree).

(d) Each issuance of Notes under this Agreement shall be made to the applicable Purchasers pro rata on the basis of their then-applicable Commitments.

Section 2.03 Termination of Commitment.

(a) Unless previously terminated, the Commitment shall terminate on the Closing Date.

(b) Unless the Closing Date shall have occurred prior to such date, the Commitment shall terminate on the Closing Date Outside Date.

(c) The parties hereto agree to work diligently in good faith to achieve the Closing Date as soon as practicable after the Effective Date, and in any event no later than the Closing Date Outside Date. For the avoidance of doubt, if the Closing Date shall not have occurred by the Closing Date Outside Date, then it is agreed that (x) this Agreement and each other Transaction Agreement executed by any of the parties or their Related Parties shall be automatically terminated on the Closing Date Outside Date; provided that the references in Section 10.05 as to survival shall be limited to this Section 2.03(c) and Sections 10.03(a) (as modified by the immediately succeeding sentence hereto), 10.05 (as modified by this Section), 10.12, and 10.14 and (y) there will be deemed to be no Default or Event of Default with respect to the failure to observe or perform any covenant or condition contained in Article V or Article VI herein from and after the Effective Date. Notwithstanding anything contained in Section 10.03(a) or in any Note Document, if this Agreement is terminated as a result of the Closing Date not having occurred by the Closing Date Outside Date, there shall be no payment obligations (including pursuant to Section 10.03) on the part of the parties hereto or any of their respective Related Parties, if applicable, except that the parties hereto agree to work in good faith to achieve an equitable allocation of costs and expenses incurred by the OIC Entities with respect to the legal counsel (limited to Latham & Watkins LLP and Herzog Fox & Neeman) and advisors (limited to Plante Moran, Ernst & Young, Naveo Consultancy and Aon) in respect of the Transaction Documents that would otherwise be reimbursable pursuant to Section 10.03(a).

Section 2.04 Repayment of Notes.

(a) Each Issuer hereby unconditionally promises to pay to the Administrative Agent for the account of the Purchasers, the unpaid principal amount of the Notes issued by it then outstanding on the applicable Maturity Date.

(b) Each Issuer shall pay the Administrative Agent, for the benefit of all Purchasers, its applicable portion of the Prepayment Premium MOIC Amount (if positive) in cash on the earlier of (x) the relevant Maturity Date and (y) the payment in full of the outstanding principal amount of the Notes (other than Supplemental Notes and Convertible Notes) (including upon an acceleration of the Obligations in respect of any Event of Default). The Prepayment Premium MOIC Amount shall be fully earned as of the date hereof, shall not be subject to offset and shall not be refundable for any reason whatsoever. Each Issuer shall pay the Administrative Agent, for the benefit of all Purchasers, its applicable portion of the Supplemental Note Make-Whole (if positive) in cash on the earlier of (x) the Maturity Date of the Supplemental Notes and (y) upon the payment in full of the outstanding principal amount of the Supplemental Notes (including upon an acceleration of the Obligations in respect of any Event of Default). The Supplemental Note Make-Whole shall be fully earned as of the date hereof, shall not be subject to offset and shall not be refundable for any reason whatsoever.

(c) For the avoidance of doubt, notwithstanding any other provision of any of the Note Documents, the obligations of the Issuers under the Note Documents are several and not joint, and, without limitation, each Issuer shall only be liable to pay amounts or to perform obligations thereunder relating to the Senior Secured Notes issued by it, without prejudice however to the provisions of Article IX.

Section 2.05 Prepayment of the Note.

(a) Optional Prepayments. Each Issuer shall have the right at any time and from time to time, upon at least ten (10) Business Days' prior written notice to the Administrative Agent stating the prepayment date, aggregate principal amount of the prepayment and whether such prepayment is of the French Senior Secured Notes or any other type of Senior Secured Notes (or the composition of either type of Notes), to prepay any Notes issued by it in whole or in part, subject to the requirements of this Section 2.05. Each prepayment pursuant to this Section 2.05(a) shall be accompanied by the Prepayment Premium (if any, as provided in Section 2.05(c)) and/or the Supplemental Note Make-Whole (if any, as provided in Section 2.05(c)) with respect to the principal amount of the Note being prepaid. Each partial prepayment of any Notes under this Section 2.05(a) shall be in an aggregate principal amount at least equal to $1,000,000 and an integral multiple of $500,000 in excess thereof (or such lesser amount as may be necessary to prepay the aggregate principal amount then outstanding with respect to such Notes). No prepayment under Section 2.05(b) shall constitute a voluntary prepayment under this Section 2.05(a).

(b) ECF Sweep. On each ECF Sweep Date, the Issuers shall offer to prepay the French Senior Secured Notes in an amount equal to the ECF Sweep Amount accompanied by payment of all accrued interest on the amount prepaid and a calculation as to the ECF Sweep Amount (which calculation shall specify each item included in the definition of "Excess Cash Flow") (each such offer to prepay referred to in this Section 2.05(b), an "ECF Prepayment Offer").

(c) Terms of All Prepayments.

(i) All partial prepayments by an Issuer of the respective Notes shall be applied on a *pro rata* basis to the Senior Secured Notes of all Purchasers of Notes issued by that Issuer or who have accepted their ECF Prepayment Offer.

(ii) Each prepayment of Notes (other than Supplemental Notes) shall be accompanied by payment of all accrued interest on the amount prepaid, the Prepayment Premium (other than in the case of Section 2.05(b)) and any additional amounts required pursuant to Section 2.09. Each prepayment of Supplemental Notes shall be accompanied by payment of all accrued interest on the amount prepaid, and with respect to any such prepayment made on or prior to the date that is 3 months after the Supplemental Notes Issuance Date, shall, be accompanied by the Supplemental Notes Make-Whole Amount and any additional amounts required pursuant to Section 2.09. For the avoidance of doubt, with respect to any prepayment offer, the Issuers shall prepay the applicable Notes no later than three (3) Business Days after the Purchasers accept (or are deemed to accept) such prepayment offer pursuant to Section 2.05(c)(iii).

(iii) No later than ten (10) Business Days after receiving an ECF Prepayment Offer (the expiration of such ten (10) Business Day-period, the "Prepayment Offer Deadline"), each Purchaser shall advise the Company in writing whether it has elected to accept such prepayment offer, which it shall determine in its sole discretion; *provided* that any Purchaser which shall fail to so advise the Company by the Prepayment Offer Deadline shall have been deemed to have accepted such prepayment offer. Each of the Purchasers shall have the right, but not the obligation, to accept or reject its *pro rata* portion of the prepayment offer by the applicable Issuer. The Issuers shall have no obligation to prepay any amounts in respect of any declining Purchaser's *pro rata* portion of the prepayment offer.

(iv) It is understood and agreed that if the Obligations are accelerated or otherwise become due and owing prior to the Maturity Date, in each case, as a result of any Event of Default (including, but not limited to, upon the occurrence of a bankruptcy or insolvency event (including the acceleration of claims by operation of law)), the Prepayment Premium and Minimum Return that would have applied and be payable if, at the time of such acceleration, the relevant Issuer had prepaid, refinanced, substituted or replaced any or all of the Notes (other than Supplemental Notes) as contemplated in Section 2.05(a) (any such event, a "Prepayment Premium Event"), will also be due and payable without any further action (including any notice requirements otherwise applicable to Prepayment Premium Events, if any) as though a Prepayment Premium Event had occurred and such Prepayment Premium or Minimum Return, as applicable, shall constitute part of the Obligations, in view of the impracticability and extreme difficulty of ascertaining actual damages and by mutual agreement of the parties as to a reasonable calculation of each Purchaser's lost profits as a result thereof. Any Prepayment Premium or Minimum Return payable above shall be presumed to be the liquidated damages sustained by each Purchaser as the result of the early termination and Issuer agrees that it is reasonable under the circumstances currently existing. The Prepayment Premium and Minimum Return shall also be payable in the event the Obligations (and/or this Agreement) are satisfied or released by foreclosure (whether by power of judicial proceeding), deed in lieu of foreclosure or by any other means. EACH NOTE PARTY EXPRESSLY WAIVES (TO THE FULLEST EXTENT IT MAY LAWFULLY DO SO) (ON BEHALF OF ITSELF AND THE OTHER NOTE PARTIES) THE PROVISIONS OF ANY STATUTE OR LAW THAT PROHIBITS, OR MAY PROHIBIT, THE COLLECTION OF THE FOREGOING PREPAYMENT PREMIUM OR MINIMUM RETURN IN CONNECTION WITH ANY SUCH ACCELERATION. Each Note Party expressly agrees (to the fullest extent that each may lawfully do so) that: (A) the Prepayment Premium and Minimum Return is reasonable and is the product of an arm's length transaction between sophisticated business people, ably represented by counsel; (B) the Prepayment Premium and Minimum Return shall be payable notwithstanding the then prevailing market rates at the time payment is made; (C) there has been a course of conduct between Purchasers and the Note Parties giving specific consideration in this transaction for such agreement to pay the Prepayment Premium and Minimum Return; and (D) the parties hereto shall be estopped hereafter from claiming differently than as agreed to in this Section 2.05(c)(iv). Each Note Party expressly acknowledges that its agreement to pay the Prepayment Premium and Minimum Return to Purchasers as herein described is a material inducement to Purchasers to provide the Commitments and purchase the Notes contemplated hereby. Issuers acknowledge, and the parties hereto agree, that each Purchaser has the right to maintain its investment in the Notes free from repayment by any Issuer (except as herein specifically provided for) and that the provision for payment of a Prepayment Premium and Minimum Return by the relevant Issuer, in the event that the Notes are prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

(v) It is understood and agreed that if the Obligations are accelerated or otherwise become due and owing prior to the date that is 3 months after the Supplemental Note Issuance Date, in each case, as a result of any Event of Default (including, but not limited to, upon the occurrence of a bankruptcy or insolvency event (including the acceleration of claims by operation of law)), the Supplemental Note Make-Whole that would have applied and be payable if a Prepayment Premium Event had occurred, will also be due and payable without any further action (including any notice requirements otherwise applicable to Prepayment Premium Events, if any) as though a Prepayment Premium Event had occurred and such Supplemental Note Make-Whole shall constitute part of the Obligations, in view of the impracticability and extreme difficulty of ascertaining actual damages and by mutual agreement of the parties as to a reasonable calculation of each Purchaser's lost profits as a result thereof. Any Supplemental Note Make-Whole payable above shall be presumed to be the liquidated damages sustained by each Purchaser as the result of the early termination and Issuer agrees that it is reasonable under the circumstances currently existing. The Supplemental Note Make-Whole shall also be payable in the event the Obligations (and/or this Agreement) are satisfied or released by foreclosure (whether by power of judicial proceeding), deed in lieu of foreclosure or by any other means. EACH NOTE PARTY EXPRESSLY WAIVES (TO THE FULLEST EXTENT IT MAY LAWFULLY DO SO) (ON BEHALF OF ITSELF AND THE OTHER NOTE PARTIES) THE PROVISIONS OF ANY STATUTE OR LAW THAT PROHIBITS, OR MAY PROHIBIT, THE COLLECTION OF THE FOREGOING SUPPLEMENTAL NOTE MAKE-WHOLE IN CONNECTION WITH ANY SUCH ACCELERATION. Each Note Party expressly agrees (to the fullest extent that each may lawfully do so) that: (A) the Supplemental Note Make-Whole is reasonable and is the product of an arm's length transaction between sophisticated business people, ably represented by counsel; (B) the Supplemental Note Make-Whole shall be payable notwithstanding the then prevailing market rates at the time payment is made; (C) there has been a course of conduct between Purchasers and the Note Parties giving specific consideration in this transaction for such agreement to pay the Supplemental Note Make-Whole; and (D) the parties hereto shall be estopped hereafter from claiming differently than as agreed to in this Section 2.05(c)(v). Each Note Party expressly acknowledges that its agreement to pay the Supplemental Note Make-Whole to Purchasers as herein described is a material inducement to Purchasers to provide the Commitments and purchase the Notes contemplated hereby. Issuers acknowledge, and the parties hereto agree, that each Purchaser has the right to maintain its investment in the Notes free from repayment by any Issuer (except as herein specifically provided for) and that the provision for payment of a Supplemental Note Make-Whole by the relevant Issuer, in the event that the Notes are prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

Section 2.06 Fees.

(a) Agent or Discount Fees. Each Issuer agrees to pay to each Purchaser and Agent, for its own account, any Agent or Discount Fees set forth in any Fee Letter to which such Purchaser or Agent is a party.

(b) Payment of Agent or Discount Fees. All Agent or Discount Fees shall be paid on the dates due, in immediately available funds, in the case of each Agent's fees, to such Agent and, in the case of all other Agent or Discount Fees, to the Administrative Agent for distribution, if and as appropriate, among the Purchasers. Once paid, no Agent or Discount Fee shall be refundable under any circumstances, absent manifest error.

Section 2.07 Interest.

(a) Notes. Each Note shall bear interest on the outstanding and unpaid principal amount thereof (including Accrued Interest), from and including the most recent Quarterly Date on which interest has been paid (or, if no interest has been paid, from the date when issued) at a rate per annum equal to the Interest Rate.

(b) Default Interest. If all or a portion of the principal amount of any Notes, interest in respect thereof or any other amount due under the Note Documents shall not be paid when due (whether at the stated maturity, by acceleration or otherwise) or there shall occur and be continuing any other Event of Default, then, to the extent so elected by the Administrative Agent after the Company has been notified in writing by the Administrative Agent (or automatically upon the occurrence of an Event of Default pursuant to Section 7.01(f) hereof), the outstanding principal amount of the Notes (whether or not overdue) (to the extent legally permitted) shall bear interest at a rate per annum equal to the Post-Default Rate, from the date of such nonpayment or occurrence of such Event of Default, respectively, until such amount is paid in full (after as well as before judgment) or until such Event of Default is no longer continuing, respectively.

(c) Payment of Interest. Subject to Section 2.07(e), accrued interest on each Note shall be payable (a) in arrears on each Quarterly Date commencing March 31, 2024, and (b) on the Maturity Date (or such other time as such Note becomes due and payable, whether by acceleration or otherwise); *provided* that (i) interest accrued pursuant to Section 2.07(b) shall be payable on demand and (ii) in the event of any repayment or prepayment of any Notes, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment.

(d) Computation. All interest hereunder shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The computation of interest shall be determined by the Administrative Agent and such determination shall be conclusive absent manifest error.

(e) Payment in Kind. On each Quarterly Date occurring on or prior to the first anniversary of the Closing Date (the "Interest Holiday Period"), the Issuers may elect to pay up to 4% per annum of the Interest Rate (other than any such amounts payable with respect to Supplemental Notes) in kind (in lieu of payment in cash) by written election of the Company to the Administrative Agent at least ten Business Days prior to such Quarterly Date. The aggregate outstanding principal amount of the French Senior Secured Notes shall be automatically increased on each such Quarterly Date by the amount of such interest paid in kind. For the avoidance of doubt, any portion of the Interest Rate not paid in kind shall be paid in cash.

Section 2.08 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement (including any such requirement imposed by the Board under Regulation D or otherwise) against assets of, deposits with or for account of, or credit extended by, any Purchaser;

(ii) subject any Recipient to any Taxes (other than Indemnified Taxes or Excluded Taxes) on its Notes, commitments or other obligations under this Agreement; or

(iii) impose on any Purchaser any other condition (other than Taxes) not otherwise contemplated hereunder affecting this Agreement or the Notes made by such Purchaser;

and the result of any of the foregoing shall be to increase the cost to such Purchaser of making or maintaining any Notes (or of maintaining its obligation to make any such Notes) to the applicable Issuer or to increase the cost to such Purchaser or to reduce the amount of any sum received or receivable by such Purchaser hereunder (whether of principal, interest or otherwise), then such Issuer will pay to such Purchaser such additional amount or amounts as will compensate such Purchaser for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Purchaser reasonably determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Purchaser's capital or on the capital of such Purchaser's holding company, if any, as a consequence of this Agreement or the Notes made by such Purchaser to a level below that which such Purchaser or such Purchaser's holding company could have achieved but for such Change in Law (taking into consideration such Purchaser's policies and the policies of such Purchaser's holding company with respect to capital adequacy), then from time to time the applicable Issuer will pay to such Purchaser such additional amount or amounts as will compensate such Purchaser or such Purchaser's holding company for any such reduction suffered.

(c) Certificates from Purchasers. A certificate of a Purchaser setting forth calculations in reasonable detail of the amount or amounts necessary to compensate such Purchaser or its respective holding company, as the case may be, as specified in Section 2.08(a) or Section 2.08(b) shall be delivered to the Company and shall be conclusive absent manifest error. The applicable Issuer shall pay such Purchaser the amount shown as due on any such certificate within thirty (30) Business Days after receipt thereof.

(d) Delay in Requests. Promptly after any Purchaser has determined that it will make a request for increased compensation pursuant to this Section 2.08, such Purchaser shall notify the Company thereof. Failure or delay on the part of any Purchaser to demand compensation pursuant to this Section shall not constitute a waiver of such Purchaser's right to demand such compensation; *provided* that applicable Issuer shall not be required to compensate a Purchaser pursuant to this Section 2.08 for any increased costs or reductions incurred more than ninety (90) days prior to the date that such Purchaser notifies the Company of the Change in Law giving rise to such increased costs or reductions and of such Purchaser's intention to claim compensation therefor; *provided*, *further*, that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the ninety (90)-day period referred to above shall be extended to include the period of retroactive effect thereof.

Section 2.09 Taxes.

(a) Payments Free of Taxes. Any and all payments or deemed payments by or on account of any obligation of any Note Party hereunder or under any other Note Document or in connection with the exercise of rights by a Warrant Holder pursuant to the Warrant shall be made free and clear of and without withholding or deduction for any Taxes except as required by Applicable Law; provided that if Applicable Law imposes withholding of any Taxes from such payments, then (subject to Annex III and to the Warrant) (i) to the extent such Taxes are Indemnified Taxes, the sum payable by such Note Party shall be increased as necessary so that after making all required withholdings and deductions (including withholdings and deductions applicable to additional sums payable under this Section) the Administrative Agent, the Collateral Agent or the Purchaser (as the case may be) receives an amount equal to the sum it would have received had no such withholdings or deductions been made, (ii) such Note Party shall make or shall cause to be made such withholdings and deductions and (iii) such Note Party shall pay or shall cause to be paid the full amount withheld and deducted to the relevant Governmental Authority in accordance with Applicable Law; provided that nothing in this Section 2.09 shall interfere with the rights of the Purchaser to arrange its affairs (tax or otherwise) in whatever manner it thinks fit, oblige any Purchaser to investigate or claim any credit or refund available to it or the extent, order and manner of any claim or oblige any Purchaser to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of taxes. For the avoidance of doubt, all French withholding Taxes imposed on or with respect to any payment on the French Senior Secured Notes, save for withholding Tax levied on any payment due to a Recipient as a result of such Recipient (x) being incorporated, domiciled, or established in or acting through, or (y) requesting to be paid on a bank account opened in the name of or for the benefit of such recipient to a financial institution situated in, any non-cooperative states and territories (*Etats et territoires non*

coopératifs) within the meaning of Article 238-0 A of the French Code*général des impôts* other than those states and territories mentioned in 2° of 2 bis of Article 238-0 A of the French Code *général des impôts*, shall be Indemnified Taxes.

(b) Payment of Other Taxes by Note Parties. The Note Parties shall timely pay or cause to be paid to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Agents timely reimburse it for the payment of, any Other Taxes.

(c) Indemnification by Note Parties. Note Parties shall jointly and severally indemnify or cause to be indemnified each Recipient, within ten (10) days after written demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section but without duplication of any amounts indemnified under Section 2.09(a)) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Company by the Collateral Agent or a Purchaser (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of the Collateral Agent or a Purchaser, shall be conclusive absent manifest error.

(d) Indemnification by the Purchasers. Each Purchaser shall severally indemnify the Agent, within ten (10) days after demand therefor, for any Indemnified Taxes attributable to such Purchaser (but only to the extent that Note Parties have not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of any Note Party to do so). A certificate as to the amount of such payment or liability delivered to any Purchaser by the Administrative Agent shall be conclusive absent manifest error. Each Purchaser hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Purchaser under any Note Document or otherwise payable by the Administrative Agent to the Purchaser from any other source against any amount due to the Administrative Agent under this paragraph (d).

(e) Evidence of Payments. As soon as practicable after any payment of Taxes by any Note Party to a Governmental Authority pursuant to this Section, the relevant Note Party shall deliver or cause to be delivered to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment satisfactory to the Administrative Agent, acting reasonably.

(f) Survival. Each party's obligations under this Section 2.09 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Purchaser, the termination of the Notes and the repayment, satisfaction or discharge of all obligations under any Transaction Documents.

Section 2.10 Payments Generally; Pro Rata Treatment; Sharing of Setoffs.

(a) Payments by Issuers. Unless otherwise specified, each Issuer shall make each payment required to be made by it hereunder (whether of principal, interest, fees, or under Section 2.08 or Section 2.09, or otherwise) or under any other Note Document (except to the extent otherwise provided therein) prior to 5.00 p.m., New York City time, on the date when due, in immediately available funds, without setoff or counterclaim. Any amounts received after such time on any date shall be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. Unless otherwise notified by the Administrative Agent in writing to Issuer, all such payments shall be made to the Administrative Agent for the benefit of each Agent and Purchaser at:

(i) to the extent any such payments are associated with OIC, L.P., or its Affiliates, at OIC Investment Agent, LLC (payment instructions: Bank Name: JP Morgan, ABA/Routing No.: 021000021, Account Name: OIC INVESTMENT AGENT, LLC, Account No.: 741813585 Reference: Gauzy); and

(ii) to the extent any such payments are associated with any other Purchaser, at Orion Energy Partners TP Agent, LLC (payment instructions: Bank Name: JP Morgan, ABA/Routing No.: 021000021, Account Name: ORION ENERGY PARTNERS TP AGENT, LLC, Account No.: 7 42324681, Reference: Gauzy),

and in each case, except as otherwise expressly provided in the relevant Note Document and payments pursuant toSection 2.09, Section 2.10 and Section 10.03, which shall be made directly to the Persons entitled thereto, in each case subject to the terms of this Agreement. The Administrative Agent shall distribute any such payments received by it in like funds as received for account of any other Person to the appropriate recipient promptly (and in any case not more than one (1) Business Day) following receipt thereof. Payments to each Purchaser shall be made to such Purchaser in accordance with its Administrative Questionnaire. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the immediately following Business Day and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All amounts owing under this Agreement or under any other Note Document are payable in Dollars.

(b) Application of Insufficient Payments. If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest, fees and other amounts then due hereunder, such funds shall be applied (i) first, to pay interest, fees, Prepayment Premium, Minimum Return, Supplemental Note Make-Whole and other amounts (except for the amounts required to be paid pursuant to the following clause (ii)) then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest, fees and such other amounts then due to such parties, and (ii) second, to pay principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) Pro Rata Treatment. Except to the extent otherwise provided herein: (i) the issuance of the Notes shall be made to the Purchasers, and each termination or reduction of the amount of the Commitments shall be applied to the respective Commitments of the Purchasers, *pro rata* according to the amounts of their respective applicable Commitments; (ii) except as provided in Section 2.05(c), each payment or prepayment of principal of the Notes by Issuer shall be made for account of the Purchasers*pro rata* in accordance with the respective unpaid principal amounts of the Notes held by them being paid or prepaid; and (iii) each payment of interest on the Notes by the applicable Issuer shall be made for account of the Purchasers (except, in the case of prepayments under Section 2.05(b), for Purchasers not receiving a principal repayment thereunder)*pro rata* in accordance with the amounts of interest on the Notes then due and payable to the respective Purchasers.

(d) Sharing of Payments by Purchasers. If any Purchaser shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment or recover any amount in respect of any principal of or interest on any of its Note resulting in such Purchaser receiving a greater proportion of the aggregate amount of the Notes and accrued interest thereon then due than the proportion received by any other Purchaser, then, unless otherwise agreed in writing by the Purchasers, the Purchaser receiving such greater proportion shall purchase (for cash at face value) participations in the Notes of other Purchasers to the extent necessary so that the benefit of all such payments shall be shared by the Purchasers ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Note; *provided* that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this Section 2.10(d) shall not be construed to apply to any payment made by the applicable Issuer pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Purchaser as consideration for the assignment of or sale of a participation in any of its Notes to any assignee or Participant, other than to the Company or any Affiliate thereof (as to which the provisions of this Section 2.10(d) shall apply), provided further that no Purchaser shall be required to purchase a participation from a Purchaser rejecting its option to receive prepayments under Section 2.05(b) to the extent disproportionality results from the rejecting Purchaser's election underSection 2.05(b). Each Note Party consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Law, that any Purchaser acquiring a participation pursuant to the foregoing arrangements may exercise against such Note Party rights of setoff and counterclaim with respect to, and to the extent of, such participation as fully as if such Purchaser were a direct creditor of such Note Party in the amount of such participation.

(e) Presumptions of Payment. Unless the Administrative Agent shall have received notice from the applicable Issuer prior to the date on which any payment is due to the Administrative Agent for account of the Purchasers hereunder that the applicable Issuer will not make such payment, the Administrative Agent may assume that the applicable Issuer has

made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Purchasers the amount due to them. In such event, if the applicable Issuer has not in fact made such payment within one (1) Business Day after such due date, then each of the Purchasers severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Purchaser with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(f) Certain Deductions by the Administrative Agent. If any Purchaser shall fail to make any payment required to be made by it pursuant to Section 2.02, Section 2.10(e) or Section 10.03(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for account of such Purchaser to satisfy such Purchaser's obligations under such Sections until all such unsatisfied obligations are fully paid.

Section 2.11 Additional Notes. The Company may issue and the Purchasers shall purchase the Convertible Notes and/or the Supplemental Notes pursuant to and in accordance with the provisions of this Section 2.11 and Annex III hereto. Unless otherwise specified by the Company in a notice to the Administrative Agent, the Company shall automatically be designated as the Issuer of the Convertible Notes or the Supplemental Notes (as applicable), and for avoidance of doubt, the provisions of Section 2.14 shall not apply.

(a) If, at any time following the consummation of an Eligible IPO, (i) no Fundamental Default is then in existence and (ii) an OIC Entity is offered but declines to place an order for and purchase Common Stock from the underwriters in the Eligible IPO having an aggregate purchase price of $15,000,000 (or such lesser amount as the underwriters offer to the OIC Entities), the Company may elect to cause the OIC Entities that are Purchasers to purchase, and the OIC Entities shall be obligated to cause the Purchasers to purchase, collectively, up to an additional $15,000,000 of Notes (or such lesser amount as the underwriters offer to the OIC Entities) (such Notes, the "Convertible Notes"), less any amounts invested by the OIC Entities in equity of the Company after the Effective Date, including in the initial public offering of the Company (but excluding equity investments contemplated by this Agreement, such as the Warrant). The election of the Company to exercise the rights under this Section shall be made by notice to the Administrative Agent specifying such election, and (i) the proposed purchase date (which shall be a Business Day), (ii) the purchase price payable by each Purchaser for the Convertible Notes to be issued to it pursuant hereto (being the principal amount of such Convertible Notes), and (iii) the wire instructions for delivery of the purchase price of the Convertible Notes. For avoidance of doubt, the provisions of Section 2.02 shall not apply. The Administrative Agent shall promptly advise the applicable Purchasers of any notice given by the Company pursuant to this Section (and the contents thereof). The closing of the issuance of the Convertible Notes shall occur within twelve (12) Business Days of the date of notice by the Company of the exercise of its right hereunder.

(b) Subject to compliance with applicable securities laws, the Company shall provide the OIC Entities that are Purchasers with twelve (12) Business Days' notice prior to the expected pricing date (such date, the "Specified Pricing Date") of an Eligible IPO. If the pricing of an Eligible IPO does not occur within thirty (30) Business Days after the Specified Pricing Date or the OIC Entities are not offered by the underwriters to purchase Common Stock in the Eligible IPO having an aggregate purchase price of at least $15,000,000, less any amounts previously invested by the OIC Entities in connection with the Eligible IPO or in equity interests of the Company after the Effective Date pursuant to clause (a) above (the "Note Remainder Amount"), then the OIC Entities that are Purchasers shall have the right (but not the obligation), exercisable within 5 Business Days following the expiry of the foregoing thirty (30) Business Days' period by delivery of notice to the Company, to purchase, and the Issuer shall have the obligation to issue upon receipt of such notice of OIC Entities, additional Notes (such Notes, the "Supplemental Notes", and the date of issuance of such Notes, the "Supplemental Notes Issuance Date") in an amount equal to the Note Remainder Amount (or such lesser amount as the OIC Entities elect) on the same terms as the other Notes (for the avoidance of doubt, other than Convertible Notes) contemplated by this Agreement, except that no OID shall apply to such Supplemental Notes, and the Supplemental Note Make-Whole shall apply instead of the Prepayment Premium and Minimum Return to such Supplemental Notes in accordance with Section 2.05.

Section 2.12 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Note Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Note Document, may be subject to Bail-In Action by the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) any Bail-In Action in relation to any such liability, including (without limitation):

(i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership that may be issued to it or otherwise conferred on it; and

(iii) a cancellation of such liability; and

(b) a variation of the terms of any Note Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

Section 2.13 Private Placement – No Public Offering of Notes.

(a) The issue of the Notes under this Agreement will be made by private placement and not in the context of an "*offre au public*" (public offering) of financial instruments in France within the meaning of article L. 411-1 of the French Monetary Code. The Notes will only be offered to investors who acquire Notes for a consideration principal amount of at least €100,000 per investor (or its equivalent in Dollars), as provided in clause 1(4)(d) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "Prospectus Regulation") and article L. 213-6-3 of the French Monetary and Financial Code. No Purchaser may transfer or acquire Notes unless as a result of such transfer or acquisition, both the transferring Purchaser (unless the number of Notes held by such transferring Purchaser after such transfer or acquisition is reduced to zero) and the acquiring Purchaser holds an aggregate principal amount of at least €100,000 (or its equivalent in Dollars) of Notes. Therefore no prospectus has been nor shall be submitted for approval (*visa*) by the French *Autorité des marchés financiers* (AMF).

(b) Consequently, neither this Agreement nor any other document or offering material relating to the Notes has been distributed nor will be distributed to the public in France and any such distributions, offers or sales of Notes have been and will be made in France only to permitted investors consisting of:

(i) providers of the investment service of portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour le compte de tiers*); and/or

(ii) qualified investors (*investisseurs qualifiés*) or a restricted circle of investors (cercle restreint d'investisseurs), acting for their own account, all as defined in, and in accordance with, articles L. 411-2, D. 411-1, D. 411-2, D. 411-4, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the French Monetary and Financial Code; and/or

(iii) investors who acquire Notes for a total consideration of at least €100,000 (or its equivalent in Dollars) per investor and per offering.

(c) The direct or indirect re-sale to the public in France of the Notes acquired by any such permitted investors shall be made only as provided by and in accordance with articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French Monetary and Financial Code.

(d) More generally, this Agreement does not constitute an offer or an invitation to subscribe for or purchase any of the Notes in any jurisdiction and may not be used for or in connection with an offer to, or solicitation by, any person in any jurisdiction or in any circumstance in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

(e) No Issuer nor any Purchaser shall enter into any course of action (in particular involving the transfer of Notes) which would entail or constitute an "*offre au public*" (public offering).

Section 2.14 Additional Issuers.

(a) Subject to compliance with any applicable "know your customer" and anti-money laundering rules and regulations reasonably requested by any Purchaser, the Company may request that the Company or any other Note Party that is not an Issuer and that is approved by the Administrative Agent (on the instructions of the Required Purchasers) become an Issuer, subject to:

(i) delivery of an Officer's Certificate of the proposed additional Issuer, certifying:

(A) attached to such certificate is a correct and complete copy of resolutions duly adopted by the board of directors, member(s), partner(s) or other authorized governing body of such Person (as applicable) authorizing such Person to become an additional Issuer pursuant to the Agreement, and that such resolutions or other evidence of authority have not been modified, rescinded or amended and are in full force and effect;

(B) that the certificate of incorporation, certificate of formation, charter or other Organizational Documents (as the case may be) referred to in Section 4.01(b)(ii)(A) below for such Person has not been amended since the date of the certification furnished pursuant to Section 4.01(b)(ii) below; and

(ii) No Default or Event of Default shall have occurred and be then continuing.

(b) The Administrative Agent shall notify the Company and the Purchasers promptly upon being satisfied that the conditions specified in clause (a) above are satisfied (or waived by the Administrative Agent and the Purchasers in their sole discretion in accordance with Section 10.02), and the designation of the additional Issuer shall thereupon be effective.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE NOTE PARTIES

On the Effective Date and the Closing Date and on any other date that the representations herein are required to be made pursuant to the Note Documents, each Note Party represents and warrants to each Agent and the Purchasers that, as of such date (except to the extent stated to relate to a specific date, in which case such representations and warranties shall be true and correct as of such specific date):

Section 3.01 Due Organization, Etc. The Company is an Israeli limited liability company, the French Issuer is a French limited liability company, and each other Gauzy Company is a limited liability company or corporation, as applicable, in each case duly organized, validly existing and in good standing, as applicable, under the laws of the jurisdiction of its organization. Each Gauzy Company has all requisite limited liability company, limited partnership, corporate or other organizational power and authority to own or lease and operate its assets and to carry on its business as now conducted and as proposed to be conducted and each Gauzy Company is duly qualified to do business and is in good standing, as applicable, in each jurisdiction where necessary in light of its business as now conducted and as proposed to be conducted, except where the failure to so qualify could not reasonably be expected to have a Material Adverse Effect. No filing, recording, publishing or other act by a Gauzy Company that has not been made or done is necessary in connection with the existence or good standing of such Gauzy Company. The Company is not a "company in breach" ("*hevrah meferah*"), as such term is defined in the Israeli Companies Law and neither has it received a notice that it is expected to be registered as such.

Section 3.02 Authorization, Etc. Each Gauzy Company has full corporate, limited liability company, limited partnership or other organizational powers, authority and legal right to enter into, deliver and perform its respective obligations under each of the Transaction Documents to which it is a party and to consummate each of the transactions contemplated herein and therein, and has taken all necessary corporate, limited liability company, limited partnership or other organizational action to authorize the execution, delivery and performance by it of each of the Transaction Documents to which it is a party. Each of the Transaction Documents to which any Gauzy Company is a party has been duly executed and delivered by such Note Party and is in full force and effect and constitutes a legal, valid and binding obligation of such Gauzy Company, enforceable against such Gauzy Company in accordance with its respective terms, except as enforcement may be limited (i) by Bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws affecting creditors' rights generally, (ii) by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (iii) by implied covenants of good faith and fair dealing.

Section 3.03 No Conflict. The execution, delivery and performance by each Gauzy Company of each of the Transaction Documents to which it is a party and all other documents and instruments to be executed and delivered hereunder by it, as well as the consummation of the transactions contemplated herein and therein, do not and will not (i) conflict with the Organizational Documents of such Gauzy Company, (ii) conflict with or result in a breach of, or constitute a default under, any indenture, Note agreement, mortgage, deed of trust or other instrument or agreement to which such Gauzy Company is a party or by which it is bound or to which such Gauzy Company's property or assets are subject, except where such contravention, breach or default could not reasonably be expected to be material and adverse to the Gauzy Companies or Purchasers, (iii) conflict with or result in a breach of, or constitute a default under, in any material respect, any Applicable Law, except where such contravention or breach could not reasonably be expected to have a Material Adverse Effect, or (iv) with respect to each Gauzy Company, result in the creation or imposition of any Lien (other than a Permitted Lien) upon any of such Gauzy Company's property or the Collateral.

Section 3.04 Approvals, Etc.

(a) All material Authorizations that are necessary in connection with the development, construction, operation, and ownership of the Business and assets of the Gauzy Companies have been issued to, assigned to, or otherwise assumed or made by the applicable Gauzy Company, are in full force and effect and are not subject to any current, pending or, to any Gauzy Companies' Knowledge threatened legal proceeding (including administrative or judicial appeal, permit renewals or modification) or to any unsatisfied condition (required to be satisfied as of date this representation and warranty is made) that, in the case of unsatisfied conditions, would reasonably be expected to have a Material Adverse Effect; and

(b) Each Gauzy Company is in compliance with all such material Authorizations described in clause (a) above, except to the extent that non-compliance could not reasonably be expected to cause a loss of such Authorization or otherwise could not reasonably be expected to have a Material Adverse Effect.

Section 3.05 Financial Statements; No Material Adverse Effect.

(a) The Company has heretofore furnished to the Administrative Agent the financial statements specified in Section 4.01(d). The financial statements furnished to the Purchasers pursuant to Section 4.01(d) present fairly in all material respects the financial condition, results of operations and cash flows of the Gauzy Companies on a consolidated basis of such dates and for such periods. Such balance sheets and the notes thereto disclose all material liabilities (contingent or otherwise) of the Gauzy Companies as of the dates thereof to the extent required by GAAP. Such financial statements were prepared in accordance with GAAP.

(b) Since December 31, 2022, there has been no event or occurrence which has resulted in a Material Adverse Effect and is continuing or could reasonably be expected to result in, individually or in the aggregate, any Material Adverse Effect.

Section 3.06 Litigation. There is no pending or threatened (in writing) litigation, investigation, action or proceeding of or before any court, arbitrator or Governmental Authority (i) seeking to restrain or prohibit the consummation of the transactions contemplated by the Transaction Documents, (ii) purporting to affect the legality, validity or enforceability of any of the Transaction Documents or (iii) that affects the Business or leased premises relating thereto, in the case of this clause (iii), as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

Section 3.07 Authorizations; Environmental Matters. Except with respect to any matters specified in sub-section (a)-(c) that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect:

(a) each Gauzy Company is in compliance in all material respects with all applicable Environmental Laws;

(b) each Gauzy Company, as applicable, (i) holds or has applied for all material Authorizations required under Environmental Laws (each of which is in full force and effect) required for any of its current operations or for any property owned, leased or otherwise operated by it; and (ii) is and has been in compliance in all material respects with all Authorizations required under Applicable Laws;

(c) there are no pending or to the Knowledge of each Gauzy Company threatened (in writing) material Environmental Claims asserted against any Gauzy Company, or any consent decrees, orders, settlements or other agreements relating to compliance with or liability under Environmental Laws;

(d) there has been no material Release or threat of material Release of Hazardous Materials at, on, from or under the leased premises of any Gauzy Company or any other real property currently or formerly owned, leased or operated by any Gauzy Company, except in each case in compliance with Environmental Laws, and except as would not be reasonably expected to have a Material Adverse Effect; and

(e) to the Knowledge of each Gauzy Company, there are no outstanding or pending material environmental investigations, studies, audits, reviews or other analyses conducted by any Gauzy Company which disclose any potential basis for Environmental Claims.

Section 3.08 Compliance with Laws and Obligations. Subject to Section 3.07, each Gauzy Company is in compliance in all material respects with all Applicable Laws.

Section 3.09 No Instalment Arrangements. The Company is not a party to an instalment arrangement ("*hesder prisa*") with the Israeli Tax Authority, the National Insurance Institute of Israel ("*Bituach Leumi*") or any municipal authority in Israel, according to which obligatory payments of the Company to such entities will be rescheduled, deferred or otherwise paid in instalments, which in each case are classified as "Preferred Debts" ("*hovot be-din kdima*") under Section 234(a)(5) of the Israeli Insolvency Law.

Section 3.10 Licenses. Each Gauzy Company owns, or is licensed to use, all patents, trademarks, permits, proprietary information and knowledge, technology, copyrights, licenses, franchises and formulas, or rights with respect thereto and all other Intellectual Property, necessary for its Business and that are material to the performance by it of its obligations under the Transaction Documents to which it is a party, in each case, as to which the failure of such Gauzy Company to so own or be licensed could reasonably be expected to have a Material Adverse Effect, and the use thereof by such Gauzy Company does not infringe in any respect upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

Section 3.11 Taxes.

(a) Each Gauzy Company has timely filed or caused to be timely filed all Tax returns and reports required to have been filed by it and each such Tax return is complete and accurate in all material respects;

(b) Each Gauzy Company has paid or has caused to be paid all national, regional, local and other Taxes (including any assessment, fines or penalties) that are due and required to have been paid by it (whether or not shown as due on any Tax returns), other than Taxes that are being contested in accordance with the Permitted Contest Condition and there is no tax deficiency that has been, or to their Knowledge could reasonably be expected to be, asserted against the Company, the Issuers or any of their subsidiaries or any of their respective properties or assets, except where the assertion of such deficiency would not, individually or in the aggregate, result in a Material Adverse Effect.

(c) The Company is treated as a corporation for U.S. federal income tax purposes and has not made any election or taken any action inconsistent with such treatment.

(d) All payments to be made by or on behalf of the French Issuer under this Agreement, all interest, principal, premium, if any, additional amounts, if any, and other payments to be made by or on behalf of the French Issuer under or with respect to the Notes will not, under current law and regulation, be subject to withholding or deduction for, or on account of, any tax, duty, levy, impost, assessment or other governmental charge (including penalties and interest related thereto) imposed or levied by or on behalf of any jurisdiction in which the French Issuer is incorporated, organized, engaged in business through a branch, agency, or permanent establishment or resident for tax purposes, or any political subdivision or any authority or agency thereof or therein having power to tax, or any jurisdiction by or through which such payment is made by or on behalf of the French Issuer, or any political subdivision or any authority or agency thereof or therein having power to tax (each a "Relevant Tax Jurisdiction"); provided that such payments are made to Purchasers who (i) are not individuals having their residence for tax purposes (or having a permanent establishment or fixed based to which the receipt of such payment or the holding of the Notes is attributable) in the Relevant Tax Jurisdiction, (ii) are not shareholders of the French Issuer (iii) are not related parties of the French Issuer within the meaning of Article 39.12 of the French Code *général des impôts*, and (iv) (x) are not incorporated, domiciled, established or acting through, or (y) do not request to be paid on a bank account opened in the name of or for the benefit of such recipient to a financial institution situated in, any non-cooperative states and territories (*Etats et territoires non coopératifs*) within the meaning of Article 238-0 A of the French Code général des impôts other than those states and territories mentioned in 2° of 2 bis of Article 238-0 A of the French Code *général des impôts*.

(e) No stamp, issuance, registration, transfer, documentary or other similar taxes or duties or whatever nature (including penalties, interest or any other reasonable expenses related thereto) are payable by or on behalf of the Purchaser in any Relevant Tax Jurisdiction in connection with (i) the creation, issue or delivery by the French Issuer, (ii) the purchase by the Purchasers of the Notes in the manner contemplated by this Agreement or (iii) the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated in this Agreement and the other Transaction Documents, provided that no deed evidencing any of these transactions is voluntarily registered with the French tax authorities.

Section 3.12 Full Disclosure; Projections.

(a) None of the written reports, financial statements, certificates or other written information (other than Projections and information of a general economic or industry nature) furnished by or on behalf of any Gauzy Company to the Administrative Agent or any Purchaser in connection with the negotiation and execution of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished), taken as a whole, contains any material misstatement of fact or omits to state any material fact necessary to make such statements therein, in the light of the circumstances under which they were made, not materially misleading.

(b) Each Note Party's sole representation with respect to information consisting of statements, estimates, forecasts and projections regarding the Gauzy Companies and the future performance of the Business or other expressions of view as to future circumstances (including the Financial Projections, the Operating Budget, estimates, budgets, forecasts, financial information and "forward-looking statements" that have been made available to any Secured Party by or on behalf of any Gauzy Company or any of its representatives or Affiliates (collectively, "Projections")), shall be that such Projections have been prepared in good faith based upon assumptions believed to be reasonable at the time of preparation thereof; provided that it is understood and acknowledged that such Projections are based upon a number of estimates and assumptions and are subject, among other things, to business, economic and competitive uncertainties and contingencies, that actual results during the period or periods covered by any such Projections may differ from the projected results and such differences may be material and that, accordingly, no assurances are given and no representations, warranties or covenants are made that any of the assumptions are correct, that such Projections will be achieved or that the forward-looking statements expressed in such Projections will correspond to actual results.

Section 3.13 Senior Obligations. Each Note Party's obligations under the Note Documents to be entered into on or prior to the Closing Date are the direct and unconditional general obligations of such Note Party and, when all necessary recordings and filings have been made in all necessary public offices, and all other necessary and appropriate action has been taken, on and after the Closing Date, subject to all necessary recordings and filings having been made in all necessary public offices and all other necessary and appropriate action taken, rank senior in priority of payment and in all other respects with all other present or future unsecured and secured Indebtedness of such Note Party (including the Indebtedness under the Chutzpah Documents and the Subordinated Shareholder Loans, subject to the Chutzpah Subordination Agreement and the Shareholder Subordination Letters having been executed by the parties thereto and being in full force and effect), and except for Permitted Liens, and subject to Indebtedness preferred by laws of general application.

Section 3.14 Solvency. Immediately after giving effect to the transactions to occur on the Effective Date and the Closing Date, the Gauzy Companies, on a consolidated basis, will be Solvent, and the French Issuer will be Solvent.

Section 3.15 Regulatory Restrictions on the Note. No Note Party is, and after giving effect to the sale of the Notes and application or proceeds thereof none of them will be an "investment company" or an entity "controlled" by an "investment company" as defined in the Investment Company Act of 1940 of the United States (including the rules and regulations thereunder), as amended.

Section 3.16 Title; Security Documents.

(a) Each Note Party owns and has good and valid title to, or valid leasehold, easement or other interests in, its Real Property, in each case free and clear of all Liens other than Permitted Liens. Other than with respect to the Real Property, each Note Party owns all material properties and assets in each case purported to be covered by the Security Documents to which it is party free and clear of all Liens other than Permitted Liens.

(b) No Note Party has received any written notice of, nor has any knowledge of, any pending or contemplated Condemnation proceeding affecting any material portion of the Real Property or any sale or disposition of any material portion thereof in lieu of Condemnation.

(c) No Note Party is obligated under any written right of first refusal, option or other contractual right to sell, assign or otherwise dispose of any material portion of any Real Property or any interest therein.

(d) On the Closing Date, the provisions of the Security Documents to which any Note Party is a party that have been delivered on or prior to the date this representation is made are (and each other Security Document to which any Note Party will be a party thereafter will be when delivered), effective to create, in favor of the Collateral Agent for the benefit of the Secured Parties, a legal, valid and enforceable first-priority Lien on and security interest in all of the Collateral purported to be covered thereby, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law, and when all necessary recordings and filings have been (or, in the case of such other Security Documents, will be) made in all necessary public offices, and all other necessary and appropriate action has been (or, in the case of such other Security Documents, will be) taken, so that the security interest created by each Security Document is a first-priority perfected Lien on and security interest in all right, title and interest of such Note Party in the Collateral purported to be covered thereby, prior and superior to all other Liens (including the Chutzpah Documents and the Subordinated Shareholder Loans) other than Permitted Liens.

Section 3.17 ERISA.

(a) No material ERISA Event has occurred or is reasonably expected to occur. Each Pension Plan has complied in all material respects with the applicable provisions of ERISA and the Code. No termination of a Pension Plan has occurred resulting in any liability that has remained underfunded and no Lien against any Gauzy Company or any of its ERISA Affiliates in favor of the PBGC or a Pension Plan has arisen during the five-year period prior to the date hereof. None of the Gauzy Companies or any of their ERISA Affiliates has incurred any material liability on account of a complete or partial withdrawal from a Multiemployer Plan.

(b) None of the Gauzy Companies has incurred any material obligation on account of the termination or withdrawal from any Foreign Plan.

Section 3.18 Insurance. Each of the Gauzy Companies has adequate insurance coverage for their activity, assets and business, from certified and reputable insurers, with coverage and insurance conditions that are no less than customary with other enterprises in their areas of activity. No Gauzy Company has received any notice from any insurer that any insurance policy has ceased to be in full force and effect or claiming that the insurer's liability under any such insurance policy can be reduced or avoided.

Section 3.19 Use of Proceeds. The proceeds the Notes have been used solely in accordance with, and solely for the purposes contemplated by Section 5.13. No part of the proceeds of any Notes and other extensions of credit hereunder will be used, either directly or indirectly, by any Note Party to purchase or carry any Margin Stock (as defined in Regulation U) or to extend credit to others for the purpose of purchasing or carrying any Margin Stock or for any purpose that entails a violation of any of the regulations of the Board.

Section 3.20 Capital Stock and Related Matters.

(a) Schedule 3.20(a) sets forth, as of the Effective Date, a true and complete list of the Gauzy Companies and, with respect to each Note Party, (i) its name and jurisdiction of organization, (ii) its form of organization, and (iii) all of the issued and outstanding Capital Stock thereof and the legal and beneficial owner of such Capital Stock. Other than set forth on Schedule 3.20(a), as of the Effective Date, no Gauzy Company owns directly or indirectly, or Controls any Capital Stock in any Person.

(b) All of the Capital Stock of each Gauzy Company have been duly authorized and validly issued in accordance with its Organizational Documents, are fully paid and non-assessable and free and clear of all Liens other than Permitted Liens, and were not issued in violation of any preemptive rights, rights of first refusal or offer, or any other agreement, commitment, understanding or arrangement to which any such Gauzy Company is a party. Other than as set forth on Schedule 3.20(b), no Gauzy Company has outstanding Capital Rights, or any agreement, commitment, understanding or arrangement (contingent or otherwise) obligating such Gauzy Company to issue, sell, transfer or otherwise dispose of, repurchase, redeem or otherwise acquire any Capital Stock of any Gauzy Company, or issue or grant any Capital Right (except as expressly provided for or permitted herein or in the Security Documents).

(c) There are no agreements, commitments, understandings or arrangements (other than the Note Documents and the Company's Organizational Documents) to which the Company is a party with respect to the voting of any Capital Stock of the Company (including any voting trust, voting agreement or proxy).

Section 3.21 Permitted Indebtedness; Investments.

(a) No Gauzy Company has created, incurred, assumed or suffered to exist any Indebtedness, other than Permitted Indebtedness.

(b) As of the Effective Date, all Indebtedness of the Gauzy Companies existing on the Effective Date is listed on Schedule 3.21(b).

Section 3.22 [Reserved].

Section 3.23 Bank Accounts. Each of the accounts of each Gauzy Company are listed on Schedule 3.23 as of the Effective Date.

Section 3.24 No Default or Event of Default. No Default or Event of Default has occurred and is continuing.

Section 3.25 Foreign Assets Control Regulations.

(a) None of the Gauzy Companies, and none of their respective Affiliates, officers or directors, or, to any of the Note Parties' knowledge, their respective employees or agents (i) is a Sanctioned Person; or (ii) presently engages in, or has engaged in the past five (5) years, any direct or indirect dealings or transactions in or with a Sanctioned Country, with or involving a Sanctioned Person, or that are otherwise prohibited by Sanctions.

(b) Each of the Gauzy Companies has implemented and currently maintains policies and procedures, including appropriate controls designed to ensure compliance by the Gauzy Companies and its subsidiaries, and its and their directors, officers, employees, and authorized agents with Sanctions, Anti-Corruption Laws, and Anti-Money Laundering Laws.

(c) Each of the Gauzy Companies and their respective officers, directors, employees and, to the Note Parties' knowledge, agents are in compliance with Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.

(d) The Gauzy Companies will not directly or indirectly use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of funding, financing or facilitating any activities, business or transaction in or with any Sanctioned Country, any person that is, at the time of such funding, financing or facilitating, a Sanctioned Person, or in any other manner that would result in a violation by any person (including any person participating in the transaction whether as underwriter, advisor, investor or otherwise) of Sanctions.

(e) No part of the proceeds of the Notes will be used, directly or indirectly (i) in violation of the FCPA, Anti-Money Laundering Laws or (ii) to offer or make payments or to take any other action that would constitute a violation, or implicate any Purchaser, Administrative Agent, Collateral Agent or their respective Affiliates in a violation, of Anti-Corruption Laws.

(f) Each of the Note Parties has disclosed all facts known to it regarding (a) all claims, damages, liabilities, obligations, losses, penalties, actions, judgment, and/or allegations of any kind or nature that are asserted against, paid or payable by such Person, any of its Affiliates or, to any of the Note Parties' knowledge, any of its representatives in connection with non-compliance with Anti-Corruption Laws, Sanctions or Anti-Money Laundering Laws by such Person or any Gauzy Company, and (b) any investigations involving possible non-compliance with Anti-Corruption Laws, Sanctions or Anti-Money Laundering Laws by such Person, such Affiliate or, to any of the Note Parties' knowledge, such representative. No proceeding by or before any Governmental Authority involving any Gauzy Company with respect to Anti-Corruption Laws, Sanctions or Anti-Money Laundering Laws is pending or, to the knowledge of the Note Parties, threatened.

(g) The representations and warranties set forth in this Section 3.25 made by or on behalf of any German Guarantor shall only apply to any German Guarantor or for the benefit of any Secured Party to the extent that the giving or receiving of, or compliance with, the relevant representation and warranty does not result in a violation of or conflict with, or expose any German Guarantor, any Secured Party or any Affiliate, director, officer or employee of any of the foregoing to any liability under, any antiboycott or blocking law, regulation or statue that is in force from time to time and applicable thereto (including the Council Regulation (EC) No 2271/96 and/or section 7 of the German Foreign Trade Regulation (*Außenwirtschaftsverordnung*)).

Section 3.26 Centre of Main Interests. For the purposes of Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) (the "Regulation"), so far as it is aware, the centre of main interests of each Note Party incorporated or organized under the laws of a country that is a member of the European Union is situated in its jurisdiction of incorporation and it has no establishment (as that term is used in article 2, point (10) of the Regulation) in any jurisdiction other than its jurisdiction of incorporation.

Section 3.27 Private Offering of Notes. Neither any Note Party nor any agent acting on their behalf has taken or will take any action which would subject the issuance or sale of the Notes (or any guarantee thereof) to registration under the provisions of Section 5 of the Securities Act or to the provisions of any securities or "blue sky" law of any applicable jurisdiction. Without limiting the foregoing, assuming the accuracy of the Purchasers' representations and warranties in Article IV-A of this Agreement, the issuance of the Notes pursuant to this Agreement is exempt from the registration and prospectus delivery requirements of the Securities Act. In the case of each offer or sale of the Notes, no form of general solicitation or general advertising (as those terms are used in Regulation D promulgated under the Securities Act) was used by any Note Party nor any agent acting on its behalf, including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine or similar medium or broadcast over television or radio, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising. No securities similar to the Notes have been issued and sold by the Note Parties within the six-month period immediately prior to the date hereof. The offer and sale of the Notes on the Closing Date and any date thereafter occurred pursuant to private negotiations only between the Issuers and the Purchasers hereunder.

Section 3.28 Rule 144A. The Notes are not of the same class as securities of the Note Parties listed on a national securities exchange, registered under Section 6 of the Exchange Act or quoted in a U.S. automated inter-dealer quotation system.

Section 3.29 Grants; Funding. As of the date hereof, the Company has not received grants or funding from any Governmental Authority (including the IIA), except as such grants under the Israeli R&D Law as set forth on Schedule 3.29.

ARTICLE IV

CONDITIONS

Section 4.01 Conditions to the Effective Date. The obligations of each Purchaser to purchase from the Issuers the French Senior Secured Notes to be purchased by each of them hereunder shall not become effective until the receipt by the Administrative Agent (except as set forth otherwise below) of each of the following documents, and the satisfaction of the conditions precedent set forth below, each of which must be satisfied to the reasonable satisfaction of the Administrative Agent (unless waived by the Administrative Agent):

(a) Execution of Note Documents. The Note Documents contemplated to be entered into as of the Effective Date shall have been duly executed and delivered by the Persons intended to be parties thereto and shall be in full force and effect.

(b) Corporate Documents. The following documents, each certified as of the Effective Date as indicated below:

(i) copies of the Organizational Documents, together with any amendments thereto, of each Note Party and a certificate of good standing or its equivalent (if any) for the applicable jurisdiction for each such party (in each case such good standing certificate or its equivalent dated no more than twenty (20) Business Days prior to the Effective Date) (provided that in the case of the French Issuer this shall consist in (x) a copy of its *statuts* and (y) a company search (extrait K-Bis) and a non-bankruptcy certificate (*certificat de non-faillite*), each dated not earlier than 20 Business Days prior to the Effective Date and in case of the German Guarantor this shall consist of a copy of the constitutional documents of the German Guarantor, which shall consist of a commercial register excerpt (*Handelsregisterauszug*) of recent date, the articles of association (*Gesellschaftsvertrag*), a list of its shareholders (*Gesellschafterliste*) and any by-laws, if applicable);

(ii) an Officer's Certificate of each Note Party dated as of the Effective Date, certifying:

(A) that attached to such certificate is a correct and complete copy of the Organizational Documents referred to in clause (i) above for such Person;

(B) attached to such certificate is a correct and complete copy of resolutions duly adopted by the board of directors, member(s), partner(s), in case of a German Guarantor, a copy of a resolution of the shareholders' and/or partner's (as applicable) meeting of the relevant German Guarantor or other authorized governing body of such Person with respect to (as applicable) the entering into, delivery and performance of the Note Documents to which such Note Party is a party, and that such resolutions or other evidence of authority have not been modified, rescinded or amended and are in full force and effect;

(C) that the certificate of incorporation, certificate of formation, charter or other Organizational Documents (as the case may be) referred to in clause (A) above for such Person has not been amended since the date of the certification furnished pursuant to clause (ii) above;

(D) as to the incumbency and specimen signature of each officer, member or partner (as applicable) of such Person executing the Note Documents to which such Person is or is intended to be a party (and each Purchaser may conclusively rely on such certificate until it receives notice in writing from such Person); and

(E) in respect of the Company, that attached to such certificate is a copy of an excerpt from a search against the Company at the Israeli Companies Registry evidencing that there are no outstanding Liens over its assets, save as permitted under this Agreement, and evidencing that the Company is not considered a "company in violation" ("*hevrah meferah*") as defined in Section 362A of the Israeli Companies Law.

(c) Authorizations. All Authorizations for the execution, delivery and performance of any material obligation under the Transaction Documents (i) have been duly obtained and validly issued, (ii) are in full force and effect and not subject to any pending or threatened, appeal, (iii) are issued to, assigned to, or otherwise assumed by, a Gauzy Company (or such Gauzy Company is entitled to the benefit thereof), (iv) are not subject to any current legal proceeding to which any Gauzy Company is a party, (v) are free from any unsatisfied condition and (vi) there is no reason to believe that any such Authorization may be withdrawn, cancelled, varied, suspended or revoked, in each case, except where the failure to do could not reasonably be expected to have a Material Adverse Effect.

(d) Financial Statements. The Administrative Agent shall have received (x) audited consolidated balance sheets and the related consolidated statements of income or operations, changes in stockholders' equity and cash flows of the Company as of and for the fiscal years ended December 31, 2021 and December 31, 2022 and (y) draft of the consolidated balance sheets and the related consolidated statements of income or operations, changes in stockholders' equity and cash flows of the Company as of and for the nine months ended September 30, 2023, including, in each case, notes thereto.

(e) Regulatory Information. Each Purchaser shall have received (i) all documentation and other written information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act, reasonably requested by them at least five (5) Business Days prior to execution of this Agreement and (ii) the Beneficial Ownership Regulation (including a Beneficial Ownership Certification).

(f) Representations and Warranties. The representations and warranties of each Note Parties set forth in the Note Documents entered into by the Note Parties on or prior to the Effective Date shall be true and correct in all material respects (except where already qualified by materiality or Material Adverse Effect, in which case, such representations and warranties shall be true and correct in all respects) on and as of the Effective Date (unless stated to relate solely to an earlier date, in which case such representations and warranties were true and correct as of such earlier date).

(g) No Default or Event of Default. No Default or Event of Default shall have occurred and be continuing on the Effective Date.

(h) Officer's Certificate. The Administrative Agent shall have received an Officer's Certificate of each Issuer, dated as of the Effective Date, certifying that each of the conditions set forth in this Section 4.01 have been satisfied.

(i) Purchaser and Agent Letters. The Agent Reimbursement Letter and the Purchaser Note Discount Letter shall have been duly executed and delivered by the Issuers.

Section 4.02 Conditions to the Closing Date. The occurrence of the Closing Date and the obligations of each Purchaser to purchase from each relevant Issuer the French Senior Secured Notes to be purchased by each of them hereunder on the Closing Date are subject to the receipt by the Administrative Agent (except as set forth otherwise below) of each of the following documents, and the satisfaction of the conditions precedent set forth below, each of which must be satisfied to the reasonable satisfaction of the Administrative Agent (unless waived by the Administrative Agent):

(a) Corporate Documents. An Officer's Certificate of each relevant Issuer dated as of that Closing Date, certifying:

(i) attached to such certificate is a correct and complete copy of resolutions duly adopted by the board of directors, member(s), partner(s) or other authorized governing body of such Person with respect to (as applicable) the authorization and issuance of the Notes to be issued on that Closing Date, and that such resolutions or other evidence of authority have not been modified, rescinded or amended and are in full force and effect;

(ii) that the certificate of incorporation, certificate of formation, charter or other Organizational Documents (as the case may be) referred to in Section 4.01(b)(ii)(A) above for such Person has not been amended since the date of the certification furnished pursuant to Section 4.01(b)(ii) above; and

(iii) that each of the conditions set forth in this Section 4.02 have been satisfied (or waived by the Administrative Agent and the Purchasers in their sole discretion in accordance with Section 10.02).

(b) Representations and Warranties. The representations and warranties of each Note Parties set forth in the Note Documents shall be true and correct in all material respects (except where already qualified by materiality or Material Adverse Effect, in which case, such representations and warranties shall be true and correct in all respects) on and as of the Closing Date (unless stated to relate solely to an earlier date, in which case such representations and warranties were true and correct as of such earlier date).

(c) Notice of Issuance. Receipt by the Administrative Agent and the Purchasers of a Notice of Issuance.

(d) No Default or Event of Default. No Default or Event of Default shall have occurred and be continuing on the Closing Date.

(e) Financial Projections and Operating Budget. The Administrative Agent shall have received a copy of each of (A) the Financial Projections and (B) an Operating Budget for the calendar year 2024 (the "Closing Date Operating Budget").

(f) Execution of Security Documents.

(i) The Security Documents contemplated to be entered into as of the Closing Date shall have been duly executed and delivered by the Persons intended to be parties thereto and shall be in full force and effect.

(ii) The security interests in and to the Collateral as of the Closing Date shall have been created in favor of the Collateral Agent for the benefit of the Secured Parties, are in full force and effect as between the parties thereto.

(g) Collateral Perfection and Subordination Matters. The Collateral Agent shall have received:

(i) all forms, application letters, powers of attorney and registration notices in appropriate form for filing, registration and recordation of each of the Security Documents to which the Company is party with the Israeli Registry of Companies and the Israeli Patent Office, as applicable and in original where required by the Israeli Registry of Companies, the Israeli Patent Office or the Collateral Agent (except in each case to the extent that any of the same is required to occur at a subsequent time as specified in the relevant Security Document);

(ii) the Subordinated Intercompany Note executed by the parties thereto accompanied by an undated instrument of transfer duly executed in blank and satisfactory to the Collateral Agent; and

(iii) each Shareholder Subordination Letter executed by the parties thereto.

(h) Opinions of Counsel. The Administrative Agent shall have received, in each case dated as of the Closing Date and addressed to the Administrative Agent, the Purchasers and the Collateral Agent, in form and substance reasonably satisfactory to the Administrative Agent, (i) a written opinion of Greenberg Traurig LLP, US counsel to the Note Parties, (ii) a written opinion of Gornitzky & Co., Israeli counsel to the Note Parties, (iii) a capacity opinion from German counsel to the Note Parties and (iv) a German law enforceability opinion from Latham & Watkins LLP, German counsel to the Purchasers, (v) a capacity opinion from McDermott, Will & Emery AARPI, French counsel to the Note Parties and (vi) a French law enforceability opinion from Latham & Watkins AARPI, French counsel to the Purchasers.

(i) Closing Date Refinancing. The Administrative Agent shall have received executed copies of payoff letter executed by the Lenders that are party to the KD Facility Agreement, together with executed release letters of the Liens in favor of such secured parties.

(j) Fees and Expenses. The Company has arranged for non-refundable payment on the Closing Date of all reasonable and documented out-of-pocket fees and expenses then due and payable pursuant to the Note Documents.

(k) Solvency Certificate. The Purchasers shall have received a solvency certificate of the chief financial officer or president of the Company, certifying that the Gauzy Companies, on a consolidated basis, and the French Issuer, in either case immediately after giving effect to the incurrence of all Indebtedness on the Closing Date, will be, Solvent.

(l) Equity Documents. The Administrative Agent shall have received (x) a copy of the Board Observer Rights Agreement, dated as of the Closing Date and (y) a copy of the Warrant to be executed on the Closing Date, in each case, executed and delivered by each of the parties thereto.

(m) Chutzpah Documents. The Administrative Agent shall have received:

(i) the Chutzpah Subordination Agreements executed by the parties thereto;

(ii) an Officer's Certificate of the Company dated as of the Closing Date, certifying that, prior to the Closing Date, (x) at least $23,000,000 of an aggregate principal amount of notes have been issued and purchased pursuant to the Drawdown Schedule (under and as defined in the Chutzpah NPA as in effect on the date hereof) and (y) at least $4,000,000 of net cash proceeds of Subordinated Shareholder Loans have been received by the Company;

(iii) evidence of a waiver of Section 2.06(b)(i) of the Chutzpah Note Purchase Agreement in form and substance satisfactory to the Administrative Agent;

(iv) a certificate of the Administrative Agent under the Chutzpah Note Agreement that no Default or Event of Default has occurred or is continuing under the Chutzpah Documents; and

(v) to the extent deemed necessary or advisable by the Administrative Agent and the Company, evidence that the German Security Documents (as defined in the Chutzpah NPA) and the French Security Documents (as defined in the Chutzpah NPA) have been released and retaken immediately after the entry into the German Security Document and the French Security Documents.

(n) Closing Date Outside Date. The Closing Date Outside Date shall not have occurred.

ARTICLE IV-A

REPRESENTATIONS OF THE PURCHASERS

Each Purchaser, severally and not jointly, represents and warrants as to itself only to (and solely for the benefit of) the Note Parties as of the Effective Date that:

(a) such Purchaser is an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the Securities Act and the Notes to be acquired by it pursuant to this Agreement have not been registered or qualified under the securities laws of any jurisdiction and are being acquired for its own account, except for transfers to Approved Affiliates and Approved Funds, and not with a view to any distribution thereof or with any present intention of offering or selling any of the Notes in a transaction that would violate the Securities Act or the securities laws of any state of the United States or any other applicable jurisdiction, without prejudice, however, to each Purchaser's right at all times to sell or otherwise dispose of all any part of such Notes pursuant to a registration statement under the Securities Act or pursuant to an exemption from the registration requirements thereof and in compliance with applicable securities laws, and subject, nevertheless, to (i) the disposition of each Purchaser's property being at all times within its control and (ii) the limitation on transfers set forth in Section 10.04;

(b) such Purchaser has such knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the Notes and such Purchaser is capable of bearing the economic risks of such investment and acknowledges that the Notes as of the date hereof, have not been registered under the Securities Act or the securities laws of any state or other jurisdiction;

(c) such Purchaser has not engaged in any form of general solicitation or general advertising with respect to the Notes; and

(d) such Purchaser acknowledges that the Note Parties and, for purposes of the opinions to be delivered to the Purchasers pursuant hereto, counsel to the Note Parties and their Affiliates will rely upon the accuracy and truth of the foregoing representations and in this Article IV-A and hereby consents to such reliance;

(e) such Purchaser is not a "foreign person," as defined at 31 C.F.R. § 800.224, and is not otherwise controlled by a "foreign person," as defined at 31 C.F.R. § 800.224.

ARTICLE V

AFFIRMATIVE COVENANTS

Each Note Party hereby agrees that from the Effective Date and thereafter, in all respects:

Section 5.01 Corporate Existence; Etc.

Each Note Party shall, and shall cause each of its Subsidiaries to, at all times preserve and maintain in full force and effect its existence as a corporation or a limited liability company, as applicable, in each case, in good standing, as applicable, under the laws of the jurisdiction of its organization and (b) except as would not reasonably be expected to cause a Material Adverse Effect, its qualification to do business and its good standing, as applicable, in each jurisdiction in which the character of properties owned by it or in which the transaction of its business as conducted makes such qualification necessary.

Section 5.02 Conduct of Business. Each Note Party shall, and shall cause each of its Subsidiaries to, operate, maintain and preserve their rights, privileges and franchises necessary or desirable to conduct the Business and in compliance with Applicable Laws and Authorizations by Governmental Authorities and the terms of its insurance policies, unless the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

Section 5.03 Compliance with Laws and Obligations. Each Note Party shall, and shall cause each of its Subsidiaries to, comply with all Applicable Laws and Authorizations (including applicable Environmental Laws), unless the failure to do so could not reasonably be expected to result in a Material Adverse Effect. Each Note Party shall (i) comply with and not violate applicable Sanctions, Anti-Money Laundering Laws, the FCPA or any other applicable Anti-Corruption Laws, (ii) not undertake or cause to be undertaken any Anti-Corruption Prohibited Activity and (iii) maintain policies and procedures, including appropriate controls designed to ensure compliance with Sanctions, Anti-Corruption Laws, and Anti-Money Laundering Laws. This Section 5.03 shall only apply to any German Guarantor or for the benefit of any Secured Party to the extent that the giving or receiving of, or compliance with, the relevant affirmative covenant does not result in a violation of or conflict with, or expose any German Guarantor, any Secured Party or any Affiliate, director, officer or employee of any of the foregoing to any liability under, any anti- boycott or blocking law, regulation or statue that is in force from time to time and applicable thereto (including the Council Regulation (EC) No 2271/96 and/or section 7 of the German Foreign Trade Regulation (*Außenwirtschaftsverordnung*)).

Section 5.04 Governmental Authorizations. Each Note Party shall, and shall cause each of its Subsidiaries to, (a) obtain and maintain in full force and effect (or where appropriate, promptly renew in a timely manner), or cause to be obtained and maintained in full force and effect (or, where appropriate, promptly renewed in a timely manner) all Authorizations required under any Applicable Law (including all Authorizations required by Environmental Law) for the Business, in each case, at or before the time the relevant Authorization becomes necessary for such purposes, (b) obtain and maintain in full force and effect (or where appropriate, promptly renew in a timely manner), or cause to be obtained and maintained in full force and effect (or, where appropriate, promptly renewed in a timely manner) all Authorizations required under any Applicable Law for each Gauzy Company's business and operations generally, in each case, at or before the time the relevant Authorization becomes necessary for such purposes and (c) preserve and maintain in all material respects all other Authorizations required for the Business, in case of clauses (a) through (c), unless the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

Section 5.05 Maintenance of Title. Each Note Party shall, and shall cause each of its Subsidiaries to, maintain good title to the material property owned by such Gauzy Company free and clear of Liens, other than Permitted Liens.

Section 5.06 Insurance.

(a) Each Note Party shall, and shall cause each of its Subsidiaries to, maintain or cause to be maintained in all material respects on its behalf in effect at all times the types of insurance in the amounts and on the terms and conditions (after giving effect to any self-insurance reasonable and customary for similarly-situated Persons engaged in the same or similar business) and against such risks as is (i) customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations as reasonably determined by management of such Note Party and (ii) considered adequate by such Note Party, from the quality of insurers specified in such Schedule or other insurance companies of recognized responsibility reasonably satisfactory to Administrative Agent (it being understood that the Note Parties' insurance company as of the Effective Date is acceptable). Each Note Party shall have furnished the Administrative Agent, promptly following written request, with certificates signed by the insurer or an agent authorized to bind the insurer, together with loss payee endorsements in favor of the Collateral Agent, evidencing such insurance, identifying underwriters, the type of insurance, the insurance limits and the policy terms, and stating that such insurance (x) is, in each case, in full force and effect and (y) complies with Section 5.06 and that all premiums then due and payable on such insurance have been paid; provided that so long as no Event of Default has occurred and is continuing, such Note Party shall only be required to provide such information so requested one time in any calendar year.

Section 5.07 Keeping of Books.

(a) Each Note Party shall, shall cause each of its Subsidiaries to, maintain an accounting and control system, management information system and books of account and other records, which together adequately reflect truly and fairly the financial condition of such Note Party and the results of operations in accordance with GAAP and all Applicable Laws, in all material respects.

(b) The Note Parties shall, and shall cause each of their Subsidiaries to, make available to Administrative Agent, without expense to Administrative Agent, upon the reasonable prior request and at a mutually agreeable time and place, the Gauzy Companies and their officers, employees and any of their books and records, to the extent that Administrative Agent may deem them reasonably necessary, appropriate or helpful to prosecute or defend any third-party suit, claim, investigation, audit or proceeding instituted by or against Administrative Agent or any Purchaser with respect to any Collateral or relating to the Gauzy Companies; provided, however, nothing herein shall obligate the Note Parties to provide Administrative Agent or any Purchaser any privileged information or attorney work product; *provided*, further that any such books and records or information shall be subject toSection 10.12.

Section 5.08 Access to Records. Each Note Party shall, and shall cause each of its Subsidiaries to, permit (i) officers and designated representatives of the Administrative Agent to visit and inspect the main office accompanied by officers or designated representatives of such Gauzy Company and (ii) officers and designated representatives of the Administrative Agent to examine and make copies of the books of record and accounts of such Gauzy Company (provided that such Gauzy Company shall have the right to be present) and discuss the affairs, finances and accounts of such Gauzy Company with the chief financial officer, the chief operating officer and the chief executive officer of the Company (subject to reasonable requirements of safety and confidentiality, including requirements imposed by Applicable Law or by contract, provided the Gauzy Companies will use reasonable efforts to obtain relief from any contractual confidentiality restrictions that prohibit the Administrative Agent or any Purchaser from obtaining information), in each case, with at least ten (10) Business Days advance notice to such Gauzy Company and during normal business hours of such Gauzy Company, and provided that, unless a Default has occurred and is continuing, the Issuers shall not be obligated to pay for any such inspections and examinations that exceed once every calendar year (beginning with calendar year 2024).

Section 5.09 Taxes, Etc. Each Note Party shall, and shall cause each of its Subsidiaries to, pay and discharge, before the same shall become delinquent, all material national, regional, local and other Taxes, assessments and governmental charges or levies imposed upon it or upon its property to the extent required under the Transaction Documents to which such Gauzy Companies is a party or under Applicable Law; provided that such Gauzy Companies shall not be required to pay or discharge any such Tax, assessment, charge or claim for so long as such Gauzy Companies satisfies the Permitted Contest Conditions in relation to such Tax, assessment, charge or claim. The Company shall continue to be treated as a corporation for U.S. federal income tax purposes.

Section 5.10 Financial Statements; Other Reporting Requirements. Each Note Party shall furnish (or, with respect to clause (a) below, shall use commercially reasonable efforts to furnish) to the Administrative Agent:

(a) within (x) forty-five (45) days following the end of each fiscal quarter of the Company, an environmental, social and governance report for the applicable quarter in the form attached hereto as Exhibit F-1 and (y) within forty-five (45) days following the end of each fiscal year of the Company, an environmental, social and governance report for the applicable year in the form attached hereto as Exhibit F-2;

(b) as soon as available and in any event within seventy-five (75) days after the end of each fiscal quarter of the Company (beginning with the fiscal quarter ended March 31, 2024), quarterly unaudited consolidated financial statements of the Gauzy Companies on a consolidated basis, including the unaudited consolidated balance sheet as of the end of such quarterly period and the related unaudited statements of income, retained earnings and cash flows for such quarterly period and for the portion of such fiscal year ending on the last day of such period, all in reasonable detail;

(c) as soon as available and in any event within one hundred and eighty (180) days after the end of each fiscal year of the Company (beginning with the fiscal year ended December 31, 2023), audited consolidated financial statements for such fiscal year for the Company, including therein the consolidated balance sheet as of the end of such fiscal year and the related statements of income, retained earnings and cash flows for such year, a comparison of actual performance with the projected performance set out in the Operating Budget for the relevant fiscal year, all in reasonable detail and accompanied by an audit opinion thereon by the Independent Auditor, which opinion shall state that said financial statements present fairly, in all material respects, the financial position of the Company at the end of, and for, such fiscal year in accordance with GAAP;

(d) within ninety (90) days following the end of each fiscal year (commencing with the fiscal quarter ended December 31, 2024), Financial Projections;

(e) at the time of the delivery of the financial statements under Section 5.10(b) and (c) above, a certificate of an Authorized Representative of the Company certifying to the Administrative Agent and the Purchasers that (A) such financial statements fairly present in all material respects the financial condition and results of operations of the Gauzy Companies on a consolidated basis on the dates and for the periods indicated in all material respects in accordance with GAAP, subject, in the case of interim financial statements, to the absence of valuations of fair value of assets in accordance with GAAP, footnotes and year-end adjustments and (B) no Default or Event of Default has occurred and is continuing, or if a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof;

(f) within thirty (30) days after the commencement of each calendar year (beginning with calendar year 2025), its Operating Budget for such calendar year;

(g) concurrently with the delivery of financial statements under clause (c) above, a certificate of an Authorized Representative of the Company setting forth a calculation of the Excess Cash Flow and ECF Sweep Amount for the ECF Period ending on the last day of such calendar year;

(h) promptly after Administrative Agent's reasonable request therefor, certificates of insurance with respect to each renewal policy and each other insurance policy required to be in effect under this Agreement that has not previously been furnished to the Administrative Agent under this Agreement. If at any time requested by the Administrative Agent (acting reasonably), each Issuer shall deliver to the Administrative Agent a duplicate of any policy of insurance required to be in effect under this Agreement; and

(i) promptly after Administrative Agent's reasonable request therefor, such other information regarding the business, assets, operations or financial condition of the Gauzy Companies as the Administrative Agent may reasonably request; provided that none of the Note Parties will be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (i) constitutes non- financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Purchaser (or their respective representatives or contractors) is prohibited by law or any binding confidentiality agreement or (iii) is subject to attorney-client or similar privilege or constitutes attorney work product.

(j) From and after the consummation of a Qualified IPO, (i) the obligations under Section 5.10(d) and (f) will terminate and (ii) the Company shall be required to deliver financial statements under Section 5.10(b) and (c) within 3 Business Days following request of the Administrative Agent and in any event no later than the periods prescribed by the Exchange Act and the rules of the Securities Exchange Commission.

Section 5.11 Notices. The Note Parties shall promptly (and in any event within five (5) Business Days) upon an Authorized Representative of any Note Party obtaining knowledge thereof, give notice to the Administrative Agent of:

(a) details of any change of Applicable Law that would reasonably be expected to have a Material Adverse Effect;

(b) written notice received by it with respect to the cancellation of, material adverse change in, or default under, any insurance policy required to be maintained in accordance with Section 5.06;

(c) the filing or commencement of any litigation, investigation, action or proceeding of or before any court, arbitrator or Governmental Authority against or affecting any Gauzy Company that, if adversely determined, could reasonably be expected to result in liability to any Gauzy Company in an aggregate amount exceeding $1,000,000 or result in a Material Adverse Effect;

(d) any Environmental Claim by any Person against, or with respect to the activities of, the Gauzy Companies and any alleged violation of or non-compliance with any Environmental Laws or any Authorizations required by Environmental Laws applicable to any Gauzy Company that, if adversely determined, could reasonably be material and adverse to the Purchasers;

(e) the expiration, revocation, rescission or material modification of any Authorization and the occurrence of any inspections or audits in respect of the Business which could reasonably be expected to either have a Material Adverse Effect or be material and adverse to the Purchasers;

(f) any Event of Loss in excess of $1,000,000 per individual Event of Loss or $2,000,000 in the aggregate per fiscal year of the Company in the aggregate per annum for all such Events of Loss;

(g) the occurrence of any ERISA Event that could reasonably be expected to result in liability to a Gauzy Company or ERISA Affiliate in excess of $1,000,000, together with a written notice setting forth the nature thereof and the action, if any, that such Gauzy Company or ERISA Affiliate proposes to take with respect thereto;

(h) the occurrence of a Bankruptcy of any Gauzy Company;

(i) the resignation, removal, incapacitation or death of any Qualified Officer;

(j) [Reserved];

(k) any attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with any Gauzy Company's information system operations, data or networks of which it becomes aware that could reasonably be expected to result, after giving effect to the coverage and policy limits of applicable insurance policies in a Material Adverse Effect (a "Cyber-security Incident") and shall promptly provide any information reasonably requested by the Administrative Agent in respect of such Cyber-security Incident; and

(l) the occurrence of a Default or Event of Default.

Section 5.12 [Reserved].

Section 5.13 Use of Proceeds.

(a) The Issuers shall apply the proceeds of the Notes (i) to consummate the Closing Date Refinancing and (ii) otherwise for general corporate purposes.

(b) The Gauzy Companies will not directly or indirectly use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint

venture partner or other person or entity, for the purpose of funding, financing or facilitating any activities, business or transaction in or with any Sanctioned Country, any person that is, at the time of such funding, financing or facilitating, a Sanctioned Person, or in any other manner that would result in a violation by any person (including any person participating in the transaction whether as underwriter, advisor, investor or otherwise) of Sanctions or (in the case of the French Issuer) the provision of financial assistance within the meaning of article L. 225-216 of the French Commercial Code and/or would constitute a misuse of corporate assets or corporate credit within the meaning of articles L. 242-6, L. 241.3 or L. 244-1 of the French Commercial Code or any other law or regulation having the same effect.

(c) The proceeds of the Notes will not be used in violation of Anti-Corruption Laws.

(d) This Section 5.13 shall only apply to any German Guarantor or for the benefit of any Secured Party to the extent that the giving or receiving of, or compliance with, the relevant affirmative covenant does not result in a violation of or conflict with, or expose any German Guarantor, any Secured Party or any Affiliate, director, officer or employee of any of the foregoing to any liability under, any anti- boycott or blocking law, regulation or statue that is in force from time to time and applicable thereto (including the Council Regulation (EC) No 2271/96 and/or section 7 of the German Foreign Trade Regulation (*Außenwirtschaftsverordnung*)).

Section 5.14 Security. Within 10 Business Days (or such later date as acceptable to Administrative Agent in its sole discretion) of the reasonable request of the Administrative Agent and the Collateral Agent, at the Note Parties' expense, the Note Parties shall execute, acknowledge and deliver documents or instruments reasonably necessary or appropriate to preserve and maintain the security interests granted under the Security Documents and undertake all actions which are necessary or appropriate to: (a) subject to Permitted Liens, maintain the Collateral Agent's security interest in the Collateral in full force and effect at all times (including the priority thereof) and (b) subject to Permitted Liens, preserve and protect the Collateral and protect and enforce the Note Parties' rights and title and the rights of the Collateral Agent and the other Secured Parties to the Collateral, including the making or delivery of all filings and recordations, the payment of all fees and other charges and the issuance of supplemental documentation.

Section 5.15 Further Assurances. Each Note Party shall execute, acknowledge where appropriate, and deliver, and cause to be executed, acknowledged where appropriate, and delivered, from time to time promptly at the reasonable request of any Agent all such instruments and documents as are necessary or appropriate to carry out the intent and purpose of the Note Documents (including filings, recordings or registrations required to be filed in respect of any Security Document or assignment thereto) necessary to maintain, to the extent permitted by Applicable Law, the Collateral Agent's perfected first priority security interest in the Collateral (subject to Permitted Liens) to the extent and in the priority required pursuant to the Security Documents.

Section 5.16 Pledged Assets.

(a) To secure the Obligations, each Note Party shall cause 100% of the issued and outstanding Capital Stock of each Subsidiary directly owned by any Note Party to be subject at all times to a first priority, perfected Lien in favor of the Collateral Agent (subject to Permitted Liens), for the benefit of the Secured Parties, pursuant to the terms and conditions of the Security Documents. In connection with the foregoing, the Company shall cause to be delivered to the Agents any filings and deliveries necessary to perfect the security interests in such Capital Stock, all in accordance with the terms of the applicable Security Document governing such Lien. Notwithstanding the foregoing, the provisions of this clause shall not apply to the Capital Stock of any direct Subsidiary of an Issuer other than as included in the Security Documents on the Closing Date (or that is added pursuant to Section 5.17), provided that no Issuer shall at any time cause or consent to subjecting the Capital Stock of any additional direct Subsidiary to a Lien in favor of Chutzpah Holdings Ltd. pursuant to the Chutzpah Documents (or to any lender or purchaser in any refinancing or replacement of such Indebtedness), unless that Note Party shall first, and as a condition to the grant of such Lien, grant a first-priority perfected Lien over Capital Stock of any such additional direct Subsidiary in favor of the Collateral Agent under the Security Documents such that the Lien in favor of Chutzpah Holdings Ltd. shall be junior in priority to the Lien under the Security Documents.

(b) Without limiting any other provision of any Note Document, if any Note Party shall at any time acquire interests in property (other than Excluded Property) in a single transaction or series of transactions not otherwise subject to the Lien created by the Security Documents having a value of at least $500,000 in the aggregate, in each case not otherwise subject to a Lien pursuant to, and in accordance with, the Security Documents, that Note Party shall notify the Administrative Agent thereof, no later than ten (10) Business Day following the end of the calendar quarter during which such acquisition of interests has been made, and, if requested by the Administrative Agent, such Note Party shall, within ten (10) Business Days of such request (or such later date as acceptable to Administrative Agent in its sole discretion), execute, deliver and record a supplement to the Security Documents or other documents, subjecting such interest to the first priority Lien created by the Security Documents. In connection with the foregoing, if requested by the Collateral Agent, the Company shall cause to be delivered to the Agents (addressed to the Agents and the Purchasers) opinions of counsel requested by any Agent and any filings and deliveries necessary to perfect the security interests in such assets, all in substantially form and substance delivered on or about the Closing Date. Notwithstanding the foregoing, the provisions of this clause shall not apply to the property of any Note Party other than that of the French Issuer and the Company, provided that no other Note Party shall at any time cause or consent to the grant of any Lien on its property in favor of Chutzpah Holdings Ltd. pursuant to the Chutzpah Documents (or to any lender or purchaser in any refinancing or replacement of such Indebtedness), unless that Note Party shall first, and as a condition to the grant of such Lien, grant a first-priority perfected Lien over that property in favor of the Collateral Agent under the Security Documents such that the Lien in favor of Chutzpah Holdings Ltd. shall be junior in priority to the Lien under the Security Documents.

Section 5.17 Covenant to Guarantee.

If, after the first Quarterly Date following the Closing Date, any Note Party forms or acquires a wholly-owned direct or indirect Subsidiary which is not an Excluded Subsidiary, or any Subsidiary of a Note Party ceases to be an Excluded Subsidiary, in each case as reasonably determined by the Company in consultation with (but without the consent of) the Administrative Agent (such Subsidiary, an "Additional Subsidiary Note Party", and the date such Subsidiary is determined to be an Additional Subsidiary Note Party, the "Guarantee Requirement Date"), then the Company shall, within 60 days of the Guarantee Requirement Date (or such longer period as the Administrative Agent shall reasonably agree), notify the Administrative Agent thereof, and the Company and the relevant other Note Party will ensure that (a) such Additional Subsidiary Note Party shall become a Guarantor under this Agreement by executing and delivering to the Administrative Agent a counterpart agreement or supplement to this Agreement in accordance with its terms and (b) the Note Party directly holding that Additional Subsidiary Note Party shall take all such actions and execute and deliver, or cause to be executed and delivered, all such documents, instruments, agreements, and certificates reasonably requested by Collateral Agent in order to cause the Collateral Agent, for the benefit of the Secured Parties, to have a Lien on 100% of the issued and outstanding Capital Stock of such Additional Subsidiary Note Party, on terms substantially similar to the terms of the Security Document governing Liens of Capital Stock, be perfected and of first priority (subject to Permitted Liens) and shall deliver or cause to be delivered to the Administrative Agent and the Collateral Agent, items as are similar to those provided by Note Parties under Sections 4.02 and 5.22.

Section 5.18 Collateral Accounts.

The Note Parties shall deposit, and shall use all reasonable efforts to cause third parties that would otherwise make payments directly to any Note Party to deposit, all revenues, payments, cash and proceeds from whatever source received by it on and after the Closing Date to be deposited into the Collateral Accounts.

Section 5.19 Intellectual Property.

(a) The Note Parties shall own, or be licensed to use, all trademarks, tradenames, copyrights, patents and other Intellectual Property necessary for the development, construction, start-up, completion, operation and maintenance of the Business, in each case, as to which the failure of such Note Party to so own or be licensed could reasonably be expected to have a Material Adverse Effect. The development, construction, start-up, completion, operation and maintenance of the Business by such Note Party shall not infringe, misappropriate, dilute or otherwise violate the Intellectual Property rights of any other Person, except for any such infringements, misappropriations, dilutions or other violations that,

individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(b) The Note Parties shall (i) protect, defend and maintain the validity and enforceability of Intellectual Property material to the Business; (ii) promptly advise Administrative Agent in writing of material infringements, misappropriations, dilutions or other violations of any Gauzy Company's Intellectual Property material to the Business; and (iii) not allow any Intellectual Property material to the Business to be abandoned, forfeited or dedicated to the public without Administrative Agent's prior written consent, however allowing any registration or application for registration of any Intellectual Property that is no longer used or useful, or economically practicable to maintain, to lapse, go abandoned, or be invalidated.

Section 5.20 [Reserved].

Section 5.21 [Reserved].

Section 5.22 Post-Closing Obligations.

(a) Within 30 days of the Closing Date (or such longer period as the Administrative Agent might agree in its reasonable discretion), the Gauzy Companies shall have obtained the insurance required to be in effect under Section 5.06 and such insurance shall be in full force and effect, and each Note Party shall have furnished the Administrative Agent with certificates signed by the insurer or an agent authorized to bind the insurer, together with loss payee endorsements in favor of the Collateral Agent (if applicable), evidencing such insurance, identifying underwriters, the type of insurance, the insurance limits and the policy terms, and stating that such insurance is, in each case, in full force and effect.

(b) Within 30 days of the later of the Closing Date or, in respect of any jurisdiction, the date that the Collateral Agent provides all forms, application letters, powers of attorney and registration notices in appropriate form for filing, registration and recordation of each of the Security Documents in such jurisdiction, respectively (or such longer period as the Administrative Agent might agree in its reasonable discretion), the Collateral Agent will have received:

(i) evidence that the necessary notices, consents, acknowledgments, filings, registrations and recordings to preserve, protect and perfect the security interests in such Collateral have been or will be made such that the security interests granted in favor of the Collateral Agent for the benefit of the Secured Parties are filed, registered and recorded and will constitute a first-priority (subject to Permitted Liens), perfected security interest in such Collateral free and clear of any Liens, other than Permitted Liens, and all related recordation, registration and/or notarial fees of such Collateral have been paid to the extent required;

(ii) appropriately completed copies of all other recordings and filings of, or with respect to, the Security Documents as may be reasonably requested by the Collateral Agent and necessary to perfect the security interests purported to be created by the Security Documents (except in each case to the extent that any of the same is required to occur at a subsequent time as specified in the relevant Security Document); and

(iii) evidence that all other actions reasonably requested by the Collateral Agent and necessary to perfect and protect the security interests purported to be created by the Security Documents entered into on or prior to the Closing Date have been taken immediately prior to or shall be taken immediately following the occurrence of the Closing Date (except in each case to the extent that any of the same is required to occur at a subsequent time as specified in the relevant Security Document).

Section 5.23 [Reserved].

Section 5.24 Qualified Officers. The Company shall cause each Qualified Officer to dedicate substantially all of their professional time and effort to the business of the Gauzy Companies; provided that in the event of the incapacitation or death of a Qualified Officer, the Company shall, within a hundred and eighty days, appoint or procure that there shall be appointed a natural person (in consultation with the Administrative Agent) that in the Company's reasonable judgment possess the professional skills necessary to fulfill the duties of the Qualified Officer being replaced.

Section 5.25 [Reserved].

Section 5.26 Government Grants. From the date of this Agreement, the Company shall fulfill in all material respects all obligations under applicable law or applicable agreement in connection with grants or funding received from any Governmental Authority, including in respect of IIA-Funded Know-How (including payment of all amounts due to any Governmental Authority in connection with the IIA-Funded Know-How).

Section 5.27 Risk Mitigation Plan. Within 9 months of the Closing Date the Note Parties shall implement the Risk Mitigation Plan. The Company shall deliver to the Administrative Agent, within 30 days from the Closing Date, evidence of a purchase order made for the purchase of equipment in connection with the implementation of the Risk Mitigation Plan; provided that if such purchase order is not delivered by such date, the period described in the first sentence of this Section 5.27 shall be reduced to 6 months of the Closing Date.

ARTICLE VI

NEGATIVE COVENANTS

Each Note Party hereby agrees that from the Effective Date and thereafter, in all respects:

Section 6.01 Subsidiaries. No Note Party shall, nor shall it permit any of its Subsidiaries to, (a) form or have any Subsidiary), or (b) own, or otherwise Control any Capital Stock in, any other Person, except that a Note Party may acquire or subscribe for any Capital Stock of any Person; provided that it shall cause, within 30 days of the consummation of the acquisition or subscription therefor, that such Capital Stock becomes subject to a Lien in favor of the Collateral Agent for the benefit of the Secured Parties, if and as required pursuant to Section 5.16.

Section 6.02 Indebtedness. No Note Party shall, nor shall it permit any of its Subsidiaries to, create, incur, assume or suffer to exist any Indebtedness, other than (without duplication) (each of the following, "Permitted Indebtedness"):

(a) Indebtedness incurred under (x) the Note Documents and (y) the Chutzpah Documents, provided that, the notes issued under the Chutzpah Documents do not exceed an aggregate principal amount of $60,000,000 at any time outstanding;

(b) (i) Capital Lease Obligations to the extent incurred in the ordinary course of business or (ii) purchase money obligations to the extent incurred in the ordinary course of business to finance the acquisition or licensing of discrete items of vehicles, equipment, computers or software incurred in the ordinary course of business; *provided* that the aggregate principal amount and the capitalized portion of each such lease or purchase money obligation do not at any one time exceed $1,250,000 in the aggregate for the Gauzy Companies (in the aggregate) and any such obligation's collateral is limited to solely the equipment or asset being financed therewith;

(c) Indebtedness of the Gauzy Companies (other than the Company) in respect of factoring, sale or discounting of receivables in an amount not to exceed at any time 90% of an amount equal to two times the revenues of the Gauzy Companies in the immediately preceding month, consummated with a Person other than an Affiliate of a Gauzy Company;

(d) unsecured Indebtedness between the Gauzy Companies to the extent constituting an Investment permitted bySection 6.04(a) or (i); *provided* all such Indebtedness of any Note Party owed to any Gauzy Company shall be subject to and evidenced by the Subordinated Intercompany Note;

(e) Indebtedness of the Note Parties associated with the performance of bids, contracts, leases, statutory obligations, surety and appeal bonds, performance bonds or other surety obligations entered into in the ordinary course of business or under Applicable Law; provided the aggregate amount of such Indebtedness permitted pursuant to this Section 6.02(e) shall not exceed $15,000,000 at any time outstanding; provided further that such Indebtedness shall not be owed to a Gauzy Company that is not a Note Party;

(f) obligations in respect of rights-of-way, easements and servitudes, in each case, to the extent permitted hereunder;

(g) Indebtedness (i) existing on the Effective Date and set forth in Schedule 3.21(b) (for avoidance of doubt, other than the Indebtedness under the KD Facility Agreement, the Chutzpah NPA and the Subordinated Shareholder Loans), and (ii) any Permitted Refinancing thereof;

(h) Guarantees by a Gauzy Company of Indebtedness of any Note Party;

(i) Indebtedness owed to (including obligations in respect of letters of credit or bank guarantees or similar instruments for the benefit of) any Person providing workers' compensation, health, disability or other employee benefits or property, casualty or liability insurance, pursuant to reimbursement or indemnification obligations to such Person, in each case incurred in the ordinary course of business and (ii) any participant in a self-insured health and welfare plan maintained by any Gauzy Company, as a result of routine claims for benefits;

(j) Indebtedness in respect of Swap Agreements, netting services, overdraft protection and similar arrangements, in each case, in connection with cash management and deposit accounts;

(k) customer deposits and advance payments received in the ordinary course of business from customers for goods and services purchased in the ordinary course of business;

(l) unsecured Indebtedness to trade creditors incurred in the ordinary course of business;

(m) Indebtedness secured by the funds of any Government Grants permitted by Section 6.17;

(n) any Subordinated Shareholder Loans incurred by the Company; provided that such Subordinated Shareholder Loans are subordinated to the Obligations pursuant to a Shareholder Subordination Letter or otherwise on terms reasonably acceptable to the Administrative Agent;

(o) Indebtedness incurred as a result of endorsing negotiable instruments received or in respect of trade letters of credit, in each case in the ordinary course of business; and

(p) unsecured Indebtedness in respect of the KD Facility Fee.

Section 6.03 Liens, Etc. No Note Party shall, nor shall it permit any of its Subsidiaries to, create, incur, assume or suffer to exist any Lien upon or with respect to any of its properties of any character (including accounts receivables) whether now owned or hereafter acquired, or assign any accounts or other right to receive income, other than Permitted Liens.

Section 6.04 Investments, Advances, Notes. No Note Party shall, nor shall it permit any of its Subsidiaries to, make any advance, Note or extension of credit to, or make any acquisitions of or Investments (whether by way of transfers of property, contributions to capital, acquisitions of stock, securities, evidences of Indebtedness or otherwise) in, or purchase any stock, bonds, notes, debentures or other securities of, any other Person, other than:

(a) to another Note Party;

(b) Cash Equivalents;

(c) extensions of trade credit in the ordinary course of business to the extent otherwise permitted under the Note Documents;

(d) Investments and other acquisitions to the extent that payment for such Investments is made with the amount of Voluntary Equity Contributions that are available for such purposes;

(e) Investments received in connection with the disposition of assets permitted by Section 6.07(e);

(f) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with or judgments against, customers and suppliers;

(g) Investments consisting of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of a Note Party;

(h) Investments and other acquisitions for which payment consists of Capital Stock of the Company, any Parent Entity or any IPO Entity; and

(i) Investments (i) by a Note Party in Subsidiaries that are not Note Parties for the expenses of such Subsidiaries not exceeding $500,000 in the aggregate at any time outstanding and (ii) by Subsidiaries (that are not a Note Party) (x) in other Subsidiaries (that are not a Note Party) or (y) in a Note Party;

provided that, Investments under Sections 6.04(a) and (i) shall not be for speculative purposes.

Section 6.05 Principal Place of Business; Business Activities.

(a) Each Note Party shall not, nor shall it permit any of its Subsidiaries to, change its principal place of business (except within its respective jurisdiction of organization) unless it has given notice thereof within ten (10) Business Days prior to such change to the Administrative Agent, and each Note Party has taken all steps then required pursuant to the Security Documents to ensure the maintenance and perfection of the security interests created or purported to be created thereby in relation to such change.

(b) No Note Party shall, nor shall it permit any of its Subsidiaries to, at any time conduct any material activities other than those related to the Business and any activities related or incidental to the foregoing.

(c) The Company shall not make any election or take any action inconsistent with its continuing treatment as a corporation for U.S. federal income tax purposes.

(d) No Note Party shall, nor shall it permit any of its Subsidiaries to, change its residence for Tax purposes.

Section 6.06 Restricted Payments. Each Gauzy Company shall not, nor shall it permit any of its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment other than:

(a) each Gauzy Company may (i) declare and pay dividends in the form of its Capital Stock and conversions of its Capital Stock into, its Capital Stock (whether of the same or

different classes), (ii) make payment of any compensation in the ordinary course of business to holders of any Capital Stock who are employees of any Gauzy Company, and (iii) make payments to another Gauzy Company on account of intercompany Indebtedness permitted under this Agreement;

(b) the Gauzy Companies (other than the Company) may declare and pay dividends and other Restricted Payments ratably with respect to their Capital Stock to any other Gauzy Company;

(c) payments of cash in lieu of the issuance of fractional shares of Capital Stock; and

(d) to the extent otherwise permitted under Section 6.10(a), (b) or (e).

Section 6.07 Fundamental Changes; Asset Dispositions; Acquisitions. No Note Party shall, nor shall it permit any of its Subsidiaries to:

(a) in one transaction or a series of transactions, merge into or consolidate with, or acquire all or any substantial part of the assets or any class of stock or other ownership interests of, any other Person or sell, transfer or otherwise dispose of all or substantially all of its assets to any other Person, provided that (A) any Gauzy Company that is not a Note Party may merge into or consolidate with or acquire all or any substantial part of the assets or any class of Capital Stock or other ownership interests of any other Gauzy Company that is not a Note Party or (B) any Note Party may merge into or consolidate with or acquire all or any substantial part of the assets or any class of Capital Stock or other ownership interests of any Person so long as such Note Party is the surviving entity of such transaction or action;

(b) change its legal form, liquidate or dissolve or change its jurisdiction of organization, in each case, without the prior written consent of the Administrative Agent, except that any Subsidiary that is not a Note Party may liquidate or dissolve if the Company determines in good faith that such action is in the best interests of the Gauzy Companies taken as a whole, and is not materially disadvantageous to the Purchasers;

(c) make or agree to make any amendment to its Organizational Documents that could reasonably be expected to be adverse to the rights of any of the Agents or any of the Purchasers under the Note Documents; or

(d) convey, sell, lease, transfer or otherwise dispose of, in one transaction or a series of transactions, all or any part of its property other than: (i) sales or other Dispositions of worn out, surplus or defective equipment or inventory, or other equipment or inventory no longer used or useful to the Business in the ordinary course of business and where such equipment or inventory is not otherwise material to the operation of the Business, (ii) sales or other Dispositions of inventory in the ordinary course of the business of such Gauzy Company, (iii) Dispositions (A) to the extent that any property is exchanged for credit against the purchase price of similar replacement property, or other assets of comparable or greater value or usefulness to the business or (B) resulting from any taking or condemnation of any property of any Gauzy Company by any Governmental Authority, or any assets subject to a casualty so long as the proceeds (or net proceeds, as applicable) thereof are applied in accordance with the applicable mandatory prepayment provisions herein, (iv) Dispositions of assets by any Gauzy Company to any Note Party, (v) the granting of any Permitted Liens permitted by Section 6.03, (vi) permitted Investments, (vii) Indebtedness in respect of factoring, sale or discounting of receivables permitted hereunder, (viii) leases, subleases, licenses or sublicenses, in each case in the ordinary course of business of such Gauzy Company, and (ix) consisting of the use or transfer of money or Cash Equivalents in a manner not prohibited hereunder.

Section 6.08 Accounting Changes. No Note Party shall, nor shall it permit any of its Subsidiaries to, change its fiscal year without the prior written consent of the Administrative Agent.

Section 6.09 Minimum Cash. The Company shall not permit its unrestricted cash balances to be less than $1,500,000 at any time.

Section 6.10 Transactions with Affiliates. No Note Party shall, and shall not permit any of its Subsidiaries to, directly or indirectly enter into any transaction or series of related transactions (including, for the avoidance of doubt, any transactions permitted by other Sections of this Article VI) with an Affiliate of such Gauzy Company without the prior written consent of the Administrative Agent, except:

(a) transactions between or among Note Parties not involving any other Affiliate thereof;

(b) transactions by any Note Party with (i) any Gauzy Company that is not a Note Party or (ii) with any Affiliate thereof other than a Gauzy Company, in each case, on terms and conditions substantially as favorable to such Note Party as would be obtainable by it in a comparable arms-length transaction with a Person other than an officer, director or Affiliate; *provided* that, notwithstanding the foregoing, transactions shall be permitted by and among (x) any Note Party and any Gauzy Company that is not a Note Party to the extent such transactions are in the ordinary course of business for payment of operating expenses such as rent, salaries, marketing expenses and similar expenses or consistent with past practice, and (y) the French Issuer and any wholly-owned Subsidiaries of the French Issuer to the extent such transactions are in the ordinary course of business or consistent with past practice;

(c) cash equity contributions to the Company from an owner of the Company or any other Person other than a Gauzy Company (including Voluntary Equity Contributions);

(d) solely with respect to the Company, bona fide rounds of equity financing by investors for capital raising purposes to the extent otherwise permitted by the Note Documents; and

(e) reasonable and customary director, officer and employee compensation and other customary benefits including retirement, health, stock option and other benefit plans, insurance and indemnification arrangements approved by the board of directors or equivalent governing body of such Note Party.

Section 6.11 Guarantees. No Note Party shall, nor shall nor shall it permit any of its Subsidiaries to, assume, guarantee, endorse, contingently agree to purchase or otherwise become liable for Indebtedness or obligations of any other Person except as expressly permitted under the terms of the Note Documents.

Section 6.12 Hazardous Materials. No Note Party shall, nor shall it permit any of its Subsidiaries to, cause any material Releases of Hazardous Materials except to the extent such Release is in compliance in all respects with all Applicable Laws, including Environmental Laws, and applicable insurance policies.

Section 6.13 No Speculative Transactions. No Note Party shall, nor shall it permit any of its Subsidiaries to, enter into any Swap Agreement, foreign currency trading or other speculative transactions without the consent of the Administrative Agent acting reasonably.

Section 6.14 Change of Auditors. The Company shall not, without the prior written consent of the Administrative Agent, change its Independent Auditor, including for the purpose of the audit of the consolidated financial statements of the Company and its Subsidiaries.

Section 6.15 Collateral Accounts. No Note Party shall, nor shall it permit any of its Subsidiaries to:

(a) have any account other than accounts that are or become Collateral Accounts (other than Excluded Accounts).

Section 6.16 No Instalment Arrangements. The Company shall not enter into any instalment arrangement ("*hesder prisa*") in an amount exceeding $500,000 in the aggregate at any time with the Israeli Tax Authority, the National Insurance Institute of Israel ("*Bituach Leumi*") or any municipal authority in Israel, according to which obligatory payments of the Company to such entities will be rescheduled, deferred or otherwise paid in instalments, which in each case are classified as "Preferred Debts" ("*hovot be-din kdima*") under Section 234(a)(5) of the Israeli Insolvency Law.

Section 6.17 Government Grants. From the date of this Agreement, the Company will not accept or receive any further grant or funding from any Governmental Authority (including the IIA), nor shall it apply for or request any change, increase or other modification to any existing grant or funding, or to any of the IIA approved plans, programs or approvals in respect of the Collateral, in each case without the prior written consent of the Collateral Agent at the direction of the Required Purchasers, except for any grant the terms of which do not include an obligation to repay such grant (including by way of payment of royalties from (i) sales of products containing know-how developed using such grants or (ii) from the exploitation of intellectual property rights developed with the assistance of such grants).

Section 6.18 Chutzpah NPA. The Note Parties shall not, without the consent of the Administrative Agent (acting in its reasonable discretion) (w) terminate, in whole or in part, any of the commitments under the Chutzpah NPA as in effect on the Effective Date, unless such part of available commitment terminated is refinanced or otherwise replaced by another financing source of equal amount, with no more onerous collateral, guarantee and subordination arrangements or more onerous conditions to funding than, in each case, those provided by the Chutzpah Documents, (x) amend, modify or otherwise change any Chutzpah Document in a manner that imposes new or additional conditions, or otherwise expands any of the conditions to the receipt of funds by any Note Party to be funded on any Closing Date (as defined in the Chutzpah NPA as in effect on the date hereof), (y) amend, modify or otherwise change any Chutzpah Document in a manner that modifies the Maturity Date (as defined in the Chutzpah NPA as in effect on the date hereof) to make it earlier than in effect on the Effective Date or (z) otherwise amend, modify, waive or otherwise change, or consent or agree to any amendment, modification, waiver or other change to, any of the terms of any Chutzpah Document if the effect of such amendment, modification, waiver or other change, consent or agreement made, is materially adverse to the interests of the Purchasers (in their capacities as such).

ARTICLE VII

EVENTS OF DEFAULT; OTHER REMEDIES

Section 7.01 Events of Default. If any of the following events ("Events of Default") shall occur:

(a) (i) any Issuer shall fail to pay any principal of any Notes (including any Accrued Interest that has been added to principal) when and as the same shall become due and payable, whether at the due date thereof or, in the case of payments of principal due pursuant to Section 2.05(b), at a date fixed for prepayment thereof or (ii) any Guarantor shall have defaulted on its obligation to make a payment under Article IX;

(b) any Issuer shall fail to pay, when the same shall be due and payable, (i) any interest on any Note and such failure is not cured within three (3) Business Days or (ii) any fee or any other amount (other than an amount referred to in clause (a) or (b)(i) of this Section) payable under this Agreement or under any other Note Document when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five (5) Business Days;

(c) any representation or warranty made by or deemed made by any Note Party in this Agreement or any other Note Document, or in any certificate or other document furnished to any Secured Party by or on behalf of such Note Party in accordance with the terms hereof or thereof shall prove to have been incorrect in any material respect as of the time made or deemed made, confirmed or furnished, and such representation or warranty, if capable of being cured, remains incorrect in such respect for 30 days after the earlier of (x) the date such Note Party becomes aware of such default and (y) receipt by the Company of written notice thereof by the Administrative Agent;

(d) any Note Party shall fail to observe or perform any covenant or agreement, as applicable, contained in:

(i) Section 5.01 (as to existence as set forth in clause (a) thereof),Section 5.10, Section 5.13, Section 5.14, Section 5.15, Section 5.16, Section 5.22, Section 5.27 or Article VI; or

(ii) Section 5.06 or Section 5.08 and such failure has continued unremedied for a period of ten (10) Business Days; or

(e) any Note Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or any other Note Document (other than those specified in clauses (a), (b), (c) or (d) of this Section) and such failure shall continue unremedied for a period of thirty (30) days;*provided* that, if (A) such failure is not reasonably susceptible to cure within such thirty (30) days, (B) such Note Party is proceeding with diligence and good faith to cure such Default and such Default is susceptible to cure and (C) the existence of such failure has not resulted in a Material Adverse Effect, such thirty (30) day period shall be extended as may be necessary to cure such failure, such extended period not to exceed sixty (60) days in the aggregate (inclusive of the original thirty (30) day period);

(f) a Bankruptcy occurs with respect to any Gauzy Company;

(g) a final non-appealable judgment or order for the payment of money is entered against any Gauzy Company in an amount exceeding $1,000,000 (exclusive of judgment amounts covered by insurance or bond where the insurer or bonding party has admitted liability in respect of such judgment), and such judgment remains unsatisfied without any procurement of a stay of execution for a period of sixty (60) days or more after the date of entry of judgment;

(h) (i) any Security Document (A) is revoked, terminated or otherwise ceases to be in full force and effect (except in connection with its expiration in accordance with its terms in the ordinary course (and not related to any default thereunder) or due to the action or inaction of the Collateral Agent), or the enforceability thereof shall be challenged in writing by any Note Party, (B) ceases to provide (to the extent permitted by law and to the extent required by the Note Documents) a first priority perfected Lien on the assets purported to be covered thereby in favor of the Collateral Agent, free and clear of all other Liens (other than Permitted Liens), or (C) becomes unlawful or is declared void or (ii) any Note Document (A) is revoked, terminated or otherwise ceases to be in full force and effect (except in connection with its expiration in accordance with its terms in the ordinary course (and not related to any default thereunder)), or (B) becomes unlawful or is declared void;

(i) an ERISA Event has occurred which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect;

(j) a Change of Control has occurred, unless the Administrative Agent has provided its prior written consent thereto;

(k) any Note Party shall default in the observance or performance of any material agreement or condition contained in any Gauzy Equity Document, and such default shall continue unremedied for a period of thirty (30) days;

(l) any Authorization necessary for the execution, delivery and performance of any material obligation under the Transaction Documents is terminated or ceases to be in full force or is not obtained, maintained, or complied with, unless such failure (i) could not reasonably be expected to result in a Material Adverse Effect and (ii) is remedied within ninety (90) days;

(m) an Event of Abandonment shall occur;

(n) an uninsured Event of Loss or a Condemnation resulting in a Material Adverse Effect; or

(o) any Gauzy Company shall (i) default in making any payment of any principal, interest or premium of any Indebtedness (excluding the Notes and other Obligations but including Indebtedness under the Chutzpah Documents) on the scheduled or original due date with respect thereto, in each case, beyond any grace periods applicable thereto; or (ii)

default in the observance or performance of any other agreement or condition relating to any such Indebtedness (excluding the Obligations) or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, in each case, beyond any grace periods applicable thereto, resulting in such Indebtedness becoming due prior to its stated maturity or subject to a mandatory offer to purchase by the obligor thereunder or (in the case of any such Indebtedness constituting a Guarantee) becoming payable; *provided* that a default, event or condition described in clauses (i) or (ii) of this clause(o) shall not at any time constitute an Event of Default unless, at such time, one or more defaults, events or conditions of the type described in clauses (i) and (ii) of this clause (o) shall have occurred and be continuing with respect to Indebtedness the outstanding principal amount of which exceeds in the aggregate $1,000,000; *provided*, that clause (ii) of this clause(o) will not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property securing such Indebtedness if such sale or transfer is permitted hereunder;

then, and in every such event (other than an event with respect to a Gauzy Company described in clause(f) of this Section), and at any time thereafter during the continuance of such event, the Administrative Agent may by notice to the Company, take any or all of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately; and (ii) declare the Notes and all other amounts due under the Note Documents (including the Prepayment Premium, Supplemental Note Make-Whole and the Minimum Return) then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Note so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Issuers accrued hereunder or under the Note Documents (including the Prepayment Premium, Supplemental Note Make-Whole and Minimum Return), shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Note Parties; and in case of any event with respect to a Note Party described in clause (f) of this Section, the Commitments shall automatically terminate and the principal of the Notes then outstanding, together with accrued interest thereon and all fees and other obligations of the Issuers accrued hereunder and under the Note Documents (including the Prepayment Premium, Supplemental Note Make-Whole and Minimum Return), shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Note Parties. Upon the occurrence and during the continuance of any Event of Default, in addition to the exercise of remedies set forth in clauses (i) and (ii) above, each Secured Party shall be, subject to the terms of the Security Documents, entitled to exercise the rights and remedies available to such Secured Party under and in accordance with the provisions of the other Note Documents to which it is a party or any Applicable Law.

ARTICLE VIII

THE AGENTS

Section 8.01 Appointment and Authorization of the Agents.

(a) Each of the Purchasers hereby irrevocably appoints each Agent to act on its behalf as its agent hereunder and under the other Note Documents and authorizes each Agent in such capacity, to take such actions on its behalf and to exercise such powers as are delegated to it by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. Each of the Purchasers hereby releases, to the extent legally possible, the Administrative Agent and the Collateral Agent from any restrictions of multi-representation under any Applicable Law. Any Purchaser prevented by Applicable Law or its constitutional documents from granting the release from the restrictions under Section 181 German Civil Code shall notify the Administrative Agent and the Collateral Agent in writing without undue delay. Each Agent, by executing this Agreement, hereby accepts such appointment. The provisions of this Article are solely for the benefit of the Agents and the Purchasers (other than the express rights of the Company under Section 8.07), and none of the Note Parties shall have rights as a third party beneficiary of any of such provisions.

(b) Each Agent is hereby authorized to execute, deliver and perform each of the Note Documents to which such Agent is intended to be a party. In addition, prior to the Discharge of Obligations, without further written consent or authorization from the Purchasers, the Collateral Agent may execute any documents or instruments necessary in connection with a sale or disposition of assets permitted by this Agreement and permitted by the applicable Security Documents, to release any Lien encumbering any item of Collateral that is the subject of such sale or other disposition of assets or to which the requisite Purchasers have otherwise consented. Each Agent hereby agrees, and each Purchaser hereby authorizes such Agent, to enter into the amendments and other modifications of the Security Documents (subject to Section 10.02(b)) as reasonably required in connection therewith.

Section 8.02 Rights as a Purchaser. Each Agent shall have the same rights and powers in its capacity as a Purchaser as any other Purchaser and may exercise the same as though it were not an Agent, and such Person and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Company or any of Subsidiary or other Affiliate thereof as if it were not an Agent hereunder.

Section 8.03 Duties of Agent; Exculpatory Provisions. No Agent shall have any duties or obligations except those expressly set forth herein and in the other Note Documents. All communications, notices, financial statements, projections, reports and other information received by any Agent in relation to Note Documents must be provided to each Purchaser within one (1) Business Day after receipt. Without limiting the generality of the foregoing, no Agent (a) shall be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing, (b) shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Note Documents that such Agent is required to exercise, and (c) shall, except as expressly set forth herein and in the other Note Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Company or any of its Subsidiaries that is communicated to or obtained by the financial institution serving as an Agent or any of its Affiliates in any capacity. No Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Purchasers or in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, non-appealable decision. No Agent shall be deemed to have knowledge of any Default or Event of Default unless and until written notice thereof is given to such Agent by the Company or a Purchaser, and no Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Note Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Note Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein or therein, other than to confirm receipt of items expressly required to be delivered to such Agent.

Section 8.04 Reliance by Agent. Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. Each Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. Each Agent may consult with legal counsel, independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 8.05 Delegation of Duties. Each Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by such Agent. Each Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of Section 8.03 and Section 8.04 shall apply to any such sub-agent and to the Related Parties of each Agent and any such sub-agent, and shall apply to their respective activities as well as activities as each Agent.

Section 8.06 [Reserved].

Section 8.07 Resignation of Agent. Each Agent may resign at any time upon thirty days' notice by notifying the Purchasers and the Company, and any Agent may be removed at any time by the Required Purchasers (with a prior written notice to the Company). Upon any such resignation or removal, the Required Purchasers shall have the right, with the consent of the Company (such consent not to be unreasonably withheld), to appoint a successor Agent. If no successor shall have been so appointed by the Required Purchasers and approved by the Company and shall have accepted such appointment within thirty (30) days after the retiring Agent gives notice of its resignation or after the Administrative Agent's

removal of the retiring Agent, then the retiring Agent may, on behalf of the Purchasers, appoint a successor Agent, which shall be a Purchaser with an office in New York, New York, an Affiliate of a Purchaser or a financial institution with an office in New York, New York having a combined capital and surplus that is not less than $250,000,000. Upon the acceptance of its appointment as Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring (or retired) Agent and the retiring Agent shall be discharged from its duties and obligations hereunder (if not already discharged therefrom as provided above in this Section 8.07). The fees payable by the Company to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Company and such successor. After such Agent's resignation or removal hereunder, the provisions of this Article and Section 10.03 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as such Agent.

Section 8.08 Non-Reliance on Agent or Other Purchasers. Each Purchaser acknowledges that it has, independently and without reliance upon any Agent, the Affiliates of any Agent or any other Purchaser and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Purchaser also acknowledges that it will, independently and without reliance upon any Agent, the Affiliates of any Agent or any other Purchaser and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Note Document or any related agreement or any document furnished hereunder or thereunder.

Section 8.09 No Other Duties; Etc. The parties agree that neither the Administrative Agent nor the Collateral Agent shall have any obligations, liability or responsibility under or in connection with this Agreement and the other Note Documents and that none of the Agents shall have any obligations, liabilities or responsibilities except for those expressly set forth herein and in the other Note Documents. The Collateral Agent shall have all of the rights (including indemnification rights), powers, benefits, privileges, exculpations, protections and immunities granted to the Collateral Agent under the other Note Documents, all of which are incorporated herein mutatis mutandis.

Section 8.10 Erroneous Payments.

(a) If the Administrative Agent (x) notifies a Purchaser or Secured Party, or any Person who has received funds on behalf of a Purchaser or Secured Party (any such Purchaser, Secured Party or other recipient (and each of their respective successors and assigns), a "Payment Recipient") that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds (as set forth in such notice from the Administrative Agent) received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously or mistakenly transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Purchaser, Secured Party or other Payment Recipient on its behalf) (any such funds, whether transmitted or received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "Erroneous Payment") and (y) demands in writing the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent pending its return or repayment as contemplated below in this Section 8.10 and held in trust for the benefit of the Administrative Agent, and such Purchaser or Secured Party shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter (or such later date as the Administrative Agent may, in its sole discretion, specify in writing), return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon (except to the extent waived in writing by the Administrative Agent) in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Payment Recipient, hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in this Agreement or in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Payment Recipient otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part), then in each such case:

(i) it acknowledges and agrees that (A) in the case of immediately precedingclauses (x) or (y), an error and mistake shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) an error and mistake has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Payment Recipient shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of the occurrence of any of the circumstances described in immediately preceding clauses (x), (y) and (z)) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this clause (b).

For the avoidance of doubt, the failure to deliver a notice to the Administrative Agent pursuant to this clause (b) shall not have any effect on a Payment Recipient's obligations pursuant to Section 8.10(a) or on whether or not an Erroneous Payment has been made.

(c) Each Purchaser and Secured Party hereby agrees that, to the extent it fails to return any Erroneous Payment to the Administrative Agent pursuant to, and within the time periods required by, clauses (a) or (b) above, the Administrative Agent (or its Affiliates) is authorized at any time and from time to time thereafter, to the fullest extent permitted by law, to net, set off and apply any and all deposits of such Purchaser or Secured Party (general or special, time or demand, provisional or final) at any time held by or on behalf of the Administrative Agent (or its Affiliate, including by branches and agencies of the Administrative Agent, wherever located) for the account of such Purchaser or Secured Party against any such amounts.

(d)

(i) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with immediately preceding clause (a), from any Purchaser that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an "Erroneous Payment Return Deficiency"), upon the Administrative Agent's notice to such Purchaser at any time, then effective immediately (with the consideration therefor being acknowledged by the parties hereto), (A) such Purchaser shall be deemed to have assigned its Notes (but not its Commitments) with respect to which such Erroneous Payment was made (the "Erroneous Payment Impacted Class") in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Notes (but not Commitments) of the Erroneous Payment Impacted Class, the "Erroneous Payment Deficiency Assignment") (on a cashless basis and such amount calculated at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance)), and is hereby (together with each Issuer) deemed to execute and deliver an Assignment and Assumption (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to any electronic platform approved by the Administrative Agent as to which the Administrative Agent and such parties are participants) with respect to such Erroneous Payment Deficiency Assignment, and such Purchaser shall deliver any Notes to the Company or the Administrative Agent, (but the failure of such Person to deliver any such Notes shall not affect the effectiveness of the foregoing assignment), (B) the Administrative Agent as the assignee Purchaser shall be deemed to have acquired the Erroneous Payment Deficiency Assignment, (C) upon such deemed acquisition, the Administrative Agent as the assignee Purchaser shall become a Purchaser, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Purchaser shall cease to be a Purchaser, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Purchaser, (D) the Administrative Agent and Issuers shall each be deemed to have waived any consents required under this Agreement to any such Erroneous Payment Deficiency Assignment, and (E) the Administrative Agent will reflect in the Register its ownership interest in the Notes subject to the Erroneous Payment Deficiency Assignment. For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Purchaser and such Commitments shall remain available in accordance with the terms of this Agreement.

(ii) Subject to Section 10.04 (but excluding, in all events, any assignment consent or approval requirements (whether from the Company or otherwise)), the Administrative Agent may, in its discretion, sell any Notes acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Purchaser shall be reduced by the net proceeds of the sale of such Notes (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Purchaser (and/or against any recipient that receives funds on its respective behalf). In addition, an Erroneous Payment Return Deficiency owing by the applicable Purchaser (x) shall be reduced by the proceeds of prepayments or repayments of principal and interest, or other distribution in respect of principal and interest, received by the Administrative Agent on or with respect to any such Notes acquired from such Purchaser pursuant to an Erroneous Payment Deficiency Assignment (to the extent that any such Notes are then owned by the Administrative Agent) and (y) may, in the sole discretion of the Administrative Agent, be reduced by any amount specified by the Administrative Agent in writing to the applicable Purchaser from time to time.

(e) The parties hereto agree that (x) irrespective of whether the Administrative Agent may be equitably subrogated, in the event that an Erroneous Payment (or portion thereof) is not recovered from any Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights and interests of such Payment Recipient (and, in the case of any Payment Recipient who has received funds on behalf of a Purchaser or Secured Party, to the rights and interests of such Purchaser or Secured Party, as the case may be) under the Note Documents with respect to such amount (the "Erroneous Payment Subrogation Rights") (*provided* that the Note Parties' Obligations under the Note Documents in respect of the Erroneous Payment Subrogation Rights shall not be duplicative of such Obligations in respect of Notes that have been assigned to the Administrative Agent under an Erroneous Payment Deficiency Assignment) and (y) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by each Issuer or any other Note Party; *provided* that this Section 8.10(e) shall not be interpreted to increase (or accelerate the due date for), or have the effect of increasing (or accelerating the due date for), the Obligations of an Issuer relative to the amount (and/or timing for payment) of the Obligations that would have been payable had such Erroneous Payment not been made by the Administrative Agent; *provided*, *further*, that for the avoidance of doubt, immediately preceding clauses (x) and (y) shall not apply to the extent any such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Company for the purpose of making such Erroneous Payment.

(f) To the extent permitted by applicable Law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including, without limitation, any defense based on "discharge for value" or any similar doctrine.

Each party's obligations, agreements and waivers under this Section 8.10 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Purchaser, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Note Document.

Section 8.11 Collateral Agent in relation to French Security Documents

(a) Without limiting any other right and obligation of the Collateral Agent under this Agreement, this Section 8.11 shall apply in relation to the French Security Documents and the French Security.

(b) Each Secured Party (other than the Collateral Agent):

(i) irrevocably and unconditionally appoints the Collateral Agent to act as (*agent des sûretés*) (security agent) pursuant to articles 2488-6 and following of the French Civil Code in respect of the French Security;

(ii) irrevocably authorizes, empowers and directs the Collateral Agent (by itself or by such person(s) as it may nominate) acting in such capacity within the meaning of article 2488-6 of the French Civil Code, without limitation and notwithstanding any other rights conferred upon the Collateral Agent under this Agreement to:

(A) take, register, manage and enforce any French Security in the name of the Collateral Agent for the benefit of (*au profit de*) such Secured Party;

(B) negotiate and execute, in its name and for the benefit of the Secured Parties, the French Security Documents (and any ancillary document in connection therewith);

(C) perform the duties and exercise the rights, powers, prerogatives and discretions that are specifically granted to it under or in connection with the French Security Documents;

(D) release the French Security upon the Notes having been repaid, discharged and terminated in full; and

(E) take any action and exercise any right, power, prerogative and discretion upon the terms and conditions set out in this Agreement or under or in connection with the French Security Documents and more generally to take any action to protect the rights of the Secured Parties under or in connection with any French Security, in each case together with any other right, power, prerogative and discretion which are incidental thereto; and

(iii) confirms that the appointment of the Collateral Agent under this Section 8.11 shall remain in full force and effect until the Notes have been repaid, discharged and terminated in full.

(c) The Collateral Agent:

(i) accepts its appointment as *agent des sûretés* pursuant to this Section 8.11; and

(ii) acknowledges that it shall act in its own name for the benefit of the Secured Parties for the purposes of the French Security and the French Security Documents,

in each case, in accordance with articles 2488-6 and following of the French Civil Code and the provisions of this Agreement.

(d) Any change of Collateral Agent appointed pursuant to this Section 8.11 shall be made in accordance with Section 8.07 of this Agreement (*remplacement conventionnel*) or article 2488-11 of the French Civil Code (*remplacement judiciaire*).

(e) With respect to any French Security Document, any reference in this Agreement to the Collateral Agent acting as agent shall be read as a reference to the Collateral Agent acting as *agent des sûretés* as referred to in this Section 8.11.

Section 8.12 Administration Of German Collateral

Without limiting any other rights under this Agreement, in relation to the German Security Documents the following shall apply:

(a) The Collateral Agent is authorized to:

(i) hold and administer and, as the case may be, release and (subject to it having become enforceable) realize:

(A) any security interest granted under any German Security Document (each, a "German Security Interest") that is constituted by way of a transfer of title or assignment by way of security (Sicherungseigentum/Sicherungsabtretung) or by way of any other non-accessory security right (*nicht akzessorische Sicherheit*); and

(B) any proceeds of such German Security Interest, as trustee in its own name but for the benefit of all Secured Parties (each, a "German Secured Party") that have the benefit of such security interest in accordance with this Agreement and the respective German Security Document;

(ii) administer and, as the case may be, release and (subject to it having become enforceable) realize any German Security Interest that is created in favor of the Collateral Agent or the German Secured Parties (or any of them) by way of a pledge (*Verpfändung*) or any other German law accessory security right (*akzessorische Sicherheit*); and

(iii) if and when acting in its capacity as creditor of the Parallel Debt, hold and administer and, as the case may be, release and (subject to it having become enforceable) realize:

(A) any German Security Interest that is created in favor of the Collateral Agent as creditor of the Parallel Debt by way of a pledge (*Verpfändung*) or any other German law accessory security right (*akzessorische Sicherheit*);

(B) any proceeds of such German Security Interest; and

(C) the benefit of this paragraph (iii) and of the Parallel Debt,

as creditor in its own right but for the benefit of the German Secured Parties in accordance with this Agreement.

(b) Each German Secured Party (other than the Collateral Agent) by accepting the benefits of this Agreement is deemed to ratify and approve all acts done by the Collateral Agent on such German Secured Party's behalf before execution of this Agreement, or the relevant German Secured Party's accession to this Agreement, as the case may be, including, for the avoidance of doubt, the declarations made by the Collateral Agent as representative without power of attorney (*Vertreter ohne Vertretungsmacht*) in relation to the creation of any pledge (*Pfandrecht*) on behalf and for the benefit of any German Secured Party in respect of any German Security Document.

(c) The Collateral Agent shall (at the sole expense of the applicable Note Party), and is hereby authorized by each of the German Secured Parties to, upon receipt of any certification required to be delivered to it pursuant to any provisions of this Agreement or of any Security Document, execute on behalf of itself and each other German Secured Party, without the need for any further referral to, or authority from, any other person, all necessary releases or confirmations of any security created under the German Security Documents that are reasonably requested and delivered to it by the applicable Note Party. Any execution and delivery of documents by the Collateral Agent pursuant to this Section shall be without recourse to, or representation or warranty by, the Collateral Agent. The Collateral Agent and each of the German Secured Parties hereby agree that, in relation to the German Security Documents, no German Secured Party shall exercise any independent power to enforce any German Security Interest or take any other action in relation to the enforcement of the German Security Interests, or make or receive any declarations in relation thereto.

(d) Each German Secured Party hereby irrevocably instructs and authorizes the Collateral Agent (with the right of sub-delegation) to act on its behalf and, if required under any applicable law or if otherwise appropriate, in its name and on its behalf in connection with the preparation, execution and delivery of the German Security Documents, the perfection and monitoring of the German Security Documents and the rescission, release or amendment of the German Security Documents, and to enter into any documents evidencing German Security Interests and to make and accept all declarations and take all actions that may be necessary or useful in connection with any German Security Interest on behalf of such German Secured Party. The Collateral Agent is hereby authorized by each German Secured Party to make all statements necessary or appropriate in connection with the foregoing. The Collateral Agent shall further be entitled to rescind, release, amend or execute, on behalf of each German Secured Party, any additional documents securing the German Security Interest.

(e) At the request of the Collateral Agent, each German Secured Party shall provide the Collateral Agent with a separate written power of attorney (Spezialvollmacht) for the purposes of executing any relevant agreements and documents on its behalf.

(f) Each German Secured Party hereby releases the Collateral Agent from the restrictions pursuant to section 181 of the German Civil Code and similar restrictions under any applicable law, in each case to the extent legally possible for the German Secured Parties. If any German Secured Party is prevented by applicable law or its constitutional documents from granting the release from the restrictions pursuant to section 181 German Civil Code it shall notify the Collateral Agent without undue delay.

Section 8.13 Parallel Debt (Covenant to Pay)

(a) Each Note Party, by way of an independent payment obligation, hereby irrevocably and unconditionally undertakes to pay to the Collateral Agent, as creditor in its own right and not as representative of the other Secured Parties, any amounts owing from time to time by that Note Party to any Secured Party (other than the Collateral Agent) under any of the Note Documents (its "Corresponding Debt"), as and when those amounts are due (such Note Party's payment and undertaking pursuant to this paragraph (a), its "Parallel Debt").

(b) Each Note Party and the Collateral Agent acknowledges that the Parallel Debt of each Note Party is several and is separate and independent from, and shall not in any way limit or affect, the Corresponding Debt of that Note Party nor shall the amounts for which each Note Party is liable under its Parallel Debt be limited or affected in any way by its Corresponding Debt; provided that, notwithstanding any other provision of this Agreement or the Note Documents:

(i) the Parallel Debt of each Note Party shall be automatically decreased and discharged to the extent that its Corresponding Debt has been irrevocably paid or, in the case of guarantee obligations, discharged;

(ii) the Corresponding Debt of each Note Party shall be automatically decreased and discharged to the extent that its Parallel Debt has been irrevocably paid or, in the case of guarantee obligations, discharged;

(iii) the amount of the Parallel Debt of each Note Party shall at all times be equal to the amount of its Corresponding Debt; and

(iv) the aggregate amount outstanding owed by the Note Parties under the Note Documents at any time shall not exceed the amount of the Corresponding Debt at that time.

(c) For the purposes of this Section 8.13, the Collateral Agent acts in its own name and not as an agent, representative or a trustee, and its claims in respect of the Parallel Debt shall not be held on trust. The Collateral Agent shall have its own independent right to demand payment of the amounts payable by each Note Party under this Section 8.13. The Collateral granted under the Security Documents to the Collateral Agent to secure the Parallel Debt is granted to the Collateral Agent in its capacity as creditor of the Parallel Debt and shall not be held on trust.

(d) Without limiting or affecting the rights of the Collateral Agent against the Note Parties (whether under this Section 8.13 or any other provision of this Agreement or the Note

Documents), each Note Party acknowledges that (i) nothing in this Section 8.13 shall impose any obligation on the Collateral Agent to pay or advance any sum to any Note Party or otherwise under any of the Note Documents, in its capacity as creditor of the Parallel Debt, and (ii) for the purpose of any vote taken under any of the Note Documents, the Collateral Agent shall not be regarded as having any participation or commitment in its capacity as creditor of the Parallel Debt.

ARTICLE IX

GUARANTY

Section 9.01 Guaranty.

(a) For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the Guarantors, jointly and severally, hereby unconditionally and irrevocably guarantees the full and punctual payment and performance (whether at stated maturity, upon acceleration or otherwise) of all Guaranteed Obligations, in each case as primary obligor and not merely as surety and with respect to all such Guaranteed Obligations howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due. This is a guaranty of payment and not merely of collection.

(b) All payments made by the Guarantors under this Article IX shall be payable in the manner required for payments by the Issuers hereunder.

(c) Any term or provision of this guaranty to the contrary notwithstanding the aggregate maximum amount of the Guaranteed Obligations for which any Guarantor shall be liable under this guaranty shall not exceed the maximum amount for which such Guarantor can be liable without rendering this guaranty or any other Note Document, as it relates to such Guarantor void or voidable under Applicable Law relating to fraudulent conveyance or fraudulent transfer.

Section 9.02 Guaranty Unconditional. The Guaranteed Obligations shall be unconditional and absolute and, without limiting the generality of the foregoing, (other than in connection with a Discharge of Obligations) shall not be released, discharged or otherwise affected by:

(a) any extension, renewal, settlement, compromise, waiver or release in respect of any obligations of any Note Party under the Note Documents and/or any Commitments under the Note Documents, by operation of law or otherwise (other than with respect to any such extension, renewal, settlement, compromise, waiver or release agreed in accordance with the terms hereunder as expressly applying to the Guaranteed Obligations);

(b) any modification or amendment of or supplement to this Agreement or any other Note Document (other than with respect to any modification, amendment or supplement agreed in accordance with the terms hereunder as expressly applying to the Guaranteed Obligations);

(c) any failure to perfect or continue perfection of a security interest in any Collateral;

(d) any change in the corporate existence, structure or ownership of any Gauzy Company or any other Person, or any event of the type described inSections 5.01, 6.01 or 6.07 with respect to any Person;

(e) the existence of any claim, set-off or other rights that the Guarantors may have at any time against any Note Party, any Secured Party or any other Person (except for the defense that the Guaranteed Obligations have been paid), whether in connection herewith or with any unrelated transactions;

(f) any invalidity or unenforceability relating to or against any Note Party for any reason of any Note Document, or any provision of Applicable Law purporting to prohibit the performance by any Note Party of any of its obligations under the Note Documents (other than any such invalidity or unenforceability with respect solely to the Guaranteed Obligations); or

(g) any other act or omission to act or delay of any kind by any Note Party, any Secured Party or any other Person or any other circumstance whatsoever that might, but for the provisions of this Section 9.02, constitute a legal or equitable discharge of the obligations of any Note Party under the Note Documents.

It is expressly agreed that the Israeli Guarantee Law, 5727-1967 (the "Israeli Guarantee Law") shall not apply to this Agreement or to any Note Document. However, should the Israeli Guarantee Law for any reason be deemed to apply to this Agreement or to any Note Document, the Company hereby irrevocably and unconditionally waives all rights and defenses that may have been available to it under the Israeli Guarantee Law, provided that the forgoing shall not in any way affect or constitute a waiver by any Note Party of any rights or defenses available to the Company under the terms of this Agreement or the laws of the State of New York after giving effect to the other provisions of this Article IX.

Section 9.03 Discharge Only Upon Payment in Full; Reinstatement in Certain Circumstances The Guaranteed Obligations shall remain in full force and effect until the Discharge of Obligations. If at any time any payment made under this Agreement or any other Note Document is rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, reorganization or similar event of any Note Party or any other Person or otherwise, then the Guaranteed Obligations with respect to such payment shall be reinstated at such time as though such payment had been due but not made at such time.

Section 9.04 Waiver by the Guarantors.

(a) Each Guarantor hereby irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law: (i) notice of acceptance of the guaranty provided in this Article IX and notice of any liability to which this guaranty may apply, (ii) all notices that may be required by Applicable Law or otherwise to preserve intact any rights of any Secured Party against any Note Party, including any demand, presentment, protest, proof of notice of non-payment, notice of any failure on the part of any Note Party to perform and comply with any covenant, agreement, term, condition or provision of any agreement and any other notice to any other party that may be liable in respect of the Guaranteed Obligations (including any Note Party) except any of the foregoing as may be expressly required hereunder, (iii) any right to require the enforcement, assertion or exercise by any Secured Party of any right, power, privilege or remedy conferred upon such Person under the Note Documents or otherwise and (iv) any right to require that any Secured Party exhaust any right, power, privilege or remedy, or mitigate any damages resulting from a default, under any Note Document, or proceed to take any action against any Collateral or against any Note Party or any other Person under or in respect of any Note Document or otherwise, or protect, secure, perfect or ensure any Lien on any Collateral.

(b) Each Guarantor agrees and acknowledges that the Administrative Agent and each holder of any Guaranteed Obligations may demand payment of, enforce and recover from each Guarantor or any other Person obligated for any or all of such Guaranteed Obligations in any order and in any manner whatsoever, without any requirement that the Administrative Agent or such holder seek to recover from any particular Guarantor or other Person first or each Guarantor or other Persons *pro rata* or on any other basis.

Section 9.05 Subrogation. Upon any Guarantor making any payment under this Article IX, such Guarantor, as applicable, shall be subrogated to the rights of the payee against any Issuer with respect to such obligation; *provided* that no Guarantor shall enforce any payment by way of subrogation, indemnity, contribution or otherwise, or exercise any other right, against any other Note Party (or otherwise benefit from any payment or other transfer arising from any such right) so long as any obligations under the Note Documents (other than on-going but not yet incurred indemnity obligations) remain unpaid and/or unsatisfied.

Section 9.06 Acceleration. All amounts subject to acceleration under this Agreement shall be payable by the Guarantors hereunder immediately upon demand by the Administrative Agent.

Section 9.07 Limitation on Obligations Guaranteed. (a) Notwithstanding any other provision hereof (other than any guarantee or liability limitations specified to be applicable under this Article IX), the right of recovery against each Guarantor under this Article IX (Guarantee) hereof shall be limited to the maximum amount that can be guaranteed by such Guarantor without rendering such Guarantor's obligations under this Article IX (Guarantee) hereof void or voidable under applicable law, including, without limitation, the Uniform Fraudulent Conveyance Act, Uniform Fraudulent Transfer Act or any similar foreign, federal or state law, in each case after giving full effect to the liability under such guarantee set

forth in this Article IX (Guarantee) hereof and its related contribution rights but before taking into account any liabilities under any other guarantee by such Guarantor. For purposes of the foregoing, all guarantees of such Guarantor other than the guarantee under this Article IX (Guarantee) hereof will be deemed to be enforceable and payable after the guaranty under this Article IX (Guarantee) hereof. To the fullest extent permitted by applicable law, thisSection 9.07(a) shall be for the benefit solely of creditors and representatives of creditors of each Guarantor and not for the benefit of such Guarantor or the holders of any Capital Stock in such Guarantor.

(b) Each Guarantor agrees that Guaranteed Obligations may at any time and from time to time be incurred or permitted in an amount exceeding the maximum liability of such Guarantor under Section 9.07(a) without impairing the guarantee contained in this Article IX (Guarantee) or affecting the rights and remedies of any Secured Party hereunder.

(c) Notwithstanding anything to the contrary in thisArticle IX (Guarantee) and the other Note Documents:

(i) this guarantee and the obligations and liabilities of any French Guarantor in its capacity as a Guarantor under the Note Documents shall only apply insofar as required to guarantee the payment obligations under this Agreement of any Issuer up to an amount equal to the aggregate of all amounts made available pursuant to this Agreement to such Issuer and made available directly or indirectly (by way of intra-group loans or advances directly or indirectly by such Issuer through any other Gauzy Company) to that French Guarantor or its Subsidiaries and outstanding on the date on which a call is made under this Article IX (Guarantee) (the "Maximum Guaranteed Amount"); it being specified that any payment made by such French Guarantor under thisArticle IX (Guarantee) in respect of the obligations of such Issuer shall reduce pro tanto the outstanding amount of the intra-group loans or advances (if any) due by such French Guarantor to such Issuer under the intra-group loans or advances referred to above and by way of consequence shall reduce the Maximum Guaranteed Amount;

(ii) the obligations and liabilities of any French Guarantor under the Note Documents and in particular under thisArticle IX (Guarantee) shall not include any obligation or liability which, if incurred, would constitute a provision of financial assistance within the meaning of article L. 225-216 of the French Commercial Code and/or would constitute a misuse of corporate assets or corporate credit within the meaning of articles L. 242-6, L. 241.3 or L. 244-1 of the French Commercial Code or any other law or regulation having the same effect;

(iii) no French Guarantor shall be considered as jointly and severally liable with the other Note Parties as to its obligations pursuant to the guarantee given under this Article IX (Guarantee); and

(iv) each French Guarantor only (x) gives representations and warranties relating to it and, where so provided for, its Subsidiaries and (y) undertakes only in relation to itself and, where so provided for, its Subsidiaries.

Section 9.08 Guarantee Limitations for a German GmbH or GmbH & Co. KG

(a) The Secured Parties agree not to enforce any guarantee and/or indemnity under thisArticle IX or any other Note Document granted by a Guarantor incorporated in Germany (a "German Guarantor") in the form of a limited liability company (*GmbH*) or established in Germany as a partnership with limited liability with a German limited liability company as general partner (*GmbH & Co. KG*) (a "GmbH & Co. KG") if and to the extent that:

(i) such guarantee and/or indemnity is for the obligations or liabilities of:

(A) a Subsidiary that is not a direct or indirect subsidiary of that German Guarantor; or

(B) a direct or indirect subsidiary of that German Guarantor if and to the extent such obligations or liabilities (including guarantees) secure obligations or liabilities of a Subsidiary that is not a direct or indirect subsidiary of that German Guarantor

(an "Up-Stream or Cross-Stream Guarantee"); and

(ii) the German Guarantor demonstrates pursuant to paragraph (b) below that the enforcement otherwise had the effect of:

(A) reducing the net assets (*Reinvermögen*) (calculated in accordance with the accounting principles as consistently applied and the jurisprudence from time to time of the German Federal Supreme Court (*Bundesgerichtshof*) relating to the protection of liable capital under Sections 30 and 31 GmbHG (as amended from time to time)) (the "Net Assets") of that German Guarantor (or, in the case of a GmbH & Co. KG, its general partner) to an amount which is less than the amount required to maintain its stated share capital (*Stammkapital*); or

(B) increasing an existing shortage of its (or, in the case of a GmbH & Co. KG, its general partner's) stated share capital,

provided that, for the purposes of the calculation of the enforceable amount (if any):

(I) the amount of any increase of the stated share capital (*Stammkapital*) of that German Guarantor (or, in the case of a GmbH & Co. KG, of its general partner) after the date of this Agreement (or, as the case may be, after the date on which it becomes a Note Party) shall be deducted from the stated share capital (*Stammkapital*) unless the Administrative Agent has granted its prior written consent to such increase of the stated share capital;

(II) in case the stated share capital (*Stammkapital*) of that German Guarantor (or, in the case of a GmbH & Co. KG, of its general partner) is not fully paid in, the amount by which the stated share capital (*Stammkapital*) exceeds the amount of the share capital paid in shall be deducted from the stated share capital (*Stammkapital*);

(III) loans provided to such German Guarantor shall be disregarded if such loans are subordinated (for the benefit of its creditors in general) by contract or pursuant to Section 39 sub-section 1 no. 5 InsO; and

(IV) loans and other liabilities incurred by such German Guarantor (and/or, in the case of a GmbH & Co. KG, its general partner) in violation of the provisions of the Note Documents shall be disregarded.

(b) Subject to paragraph (d) below, the limitations set out in the preceding paragraph shall only apply if and to the extent that:

(i) within 10 Business Days following the making of a demand against a German Guarantor under the guarantee and/or indemnity that German Guarantor has confirmed in writing to the Administrative Agent:

(A) to what extent the guarantee and/or indemnity is an Up-stream or Cross-stream Guarantee; and

(B) the amount of such Up-stream or Cross-stream Guarantee which cannot be enforced as it would otherwise cause its (or, in the case of a GmbH & Co. KG, its general partner's) Net Assets to fall below its stated share capital or increase an existing shortage of its (or, in the case of a GmbH & Co. KG, its general partner's) stated share capital, taking into account the adjustments set out in paragraph (a) above) (setting out in reasonable detail to what extent the share capital would fall below the stated share capital or an increase of an existing shortage would occur, providing an up-to-date pro forma balance sheet and a statement if and to what extent a realization or other measures undertaken in accordance with the mitigation provisions set out in paragraph (e) below would not prevent such situation) (the "Management Determination");

the Management Determination shall be prepared as of the date of the Administrative Agent's demand as described above. The Secured Parties shall be entitled to enforce the guarantee in an amount which would, in accordance with the Management Determination, not cause the German Guarantor's Net Assets to fall below its stated share capital or increase an existing shortage of its stated share capital; and

(ii) if the Administrative Agent (acting on the instructions of the Purchasers) notifies the German Guarantor against which a demand under the guarantee and/or indemnity has been made that it disagrees with the Management Determination, within 20 Business Days following such notice the respective German Guarantor has provided the Administrative Agent with a determination by auditors of international standard and reputation (the "Auditor's Determination") appointed by the German Guarantor of the amount that would have been necessary on the date the demand under the guarantee was made to maintain its (or, in the case of a GmbH & Co. KG, its general partner's) stated share capital or to avoid the increase of an existing shortage of its (or, in the case of a GmbH & Co. KG, its general partner's) stated share capital. The Auditor's Determination shall be prepared in accordance with the accounting principles as consistently applied and shall include an up-to-date balance sheet of the German Guarantor (and, in the case of a GmbH & Co. KG, of its general partner) and shall contain further information (in reasonable detail) relating to the items to be adjusted pursuant to paragraph (a) above.

(c) If the Administrative Agent (acting on the instructions of the Secured Parties) disagrees with the Auditor's Determination, it shall notify the respective German Guarantor accordingly. The Secured Parties shall only be entitled to enforce the guarantee up to the amount which on the basis of the Auditor's Determination can be enforced in compliance with the limitations set out in paragraph (a)(ii) above. In relation to the amount which is disputed by the Administrative Agent (acting on the instructions of the Secured Parties), the Secured Parties shall be entitled to further pursue their claims under the guarantee and/or indemnity (if any) in court.

(d) If the guarantee was enforced without limitation because the Management Determination and/or the Auditor's Determination (as the case may be) was not delivered within the relevant time frame but is then subsequently delivered, the Secured Parties shall, upon written demand of the German Guarantor (such demand to be made no later than 3 months (Ausschlussfrist) after the enforcement of the guarantee granted by such German Guarantor), repay to the German Guarantor any amount received by them from the enforcement of the guarantee which is necessary to maintain the German Guarantor's (or, in the case of a GmbH & Co. KG, its general partner's) stated share capital or to avoid the increase of an existing shortage of its (or, in the case of a GmbH & Co. KG, its general partner's) stated share capital, calculated as of the date the demand under the guarantee was made and in accordance with paragraph (b) above.

(e) Where a German Guarantor claims in accordance with the provisions of paragraphs (b) and (d) above that the guarantee and/or indemnity granted hereunder can only be enforced in a limited amount, it shall within three months following the making of a demand against a German Guarantor under the guarantee and/or indemnity realize, to the extent lawful and at arm's length terms, any and all of its assets that are shown in its balance sheet with a book value (Buchwert) that is significantly lower than their market value to the extent such assets are not necessary for its business (nicht betriebsnotwendig). After the expiry of the earlier of (i) the expiry of such three months' period and (ii) the realization of such assets, the German Guarantor shall, within 3 Business Days, notify the Administrative Agent of the amount of the net proceeds from the sale and submit a statement with a new calculation of the amount of the Net Assets of the German Guarantor (and, in the case of a GmbH & Co. KG Guarantor, of its general partner) taking into account such proceeds. Such calculation shall, upon the Administrative Agent's request (acting reasonably), be confirmed by the relevant German Guarantor's auditor within a period of 20 Business Days following the request.

(f) The limitations set out in this Section 9.08 shall only apply:

(i) to the extent the relevant German Guarantor is not a party to a domination and/or profit and loss transfer agreement (*Beherrschungs- und/oder Gewinnabführungsvertrag*), unless the existence of such domination and/or profit and loss transfer agreement (*Beherrschungs- und/oder Gewinnabführungsvertrag*) does not lead to the inapplicability of Section 30 sub-section 1 sentence 1 GmbHG; and

(ii) if the each relevant German Guarantor have complied with their obligations pursuant to paragraphs (b) and (e) above; and

(iii) if and to the extent that they are necessary for the purposes of protecting the German Guarantor's directors from any liability under Sections 30, 43 GmbHG;

(iv) to the extent that the guarantee and/or indemnity does not relate to any funds or guarantees which have been on-lent to, or issued for, the benefit of that German Guarantor or any of its subsidiaries and such amounts on-lent or such guarantees have not been repaid or returned prior to a demand for payment being made under the guarantee and/or indemnity; and

(v) to the extent the relevant German Guarantor will not acquire a valuable consideration or recourse claim (*vollwertiger Gegenleistungs- oder Rückgewähranspruch*) against any of its direct or indirect shareholders at the time of the demand pursuant to paragraph (b) above.

(g) No reduction of the amount enforceable under a guarantee and/or indemnity in accordance with the above limitations will prejudice the rights of the Secured Parties to continue enforcing such guarantee and/or indemnity (subject always to the restrictions set out in Section 9.08 above at the time of such enforcement) until full and irrevocable satisfaction of the amounts owing under the guaranteed and/or indemnified claims.

ARTICLE X

MISCELLANEOUS

Section 10.01 Notices. Except as otherwise expressly provided herein or in any Note Document, all notices and other communications provided for hereunder or thereunder shall be (i) in writing (including email) and (ii) sent by email or overnight courier (if for inland delivery) or international courier (if for overseas delivery) to a party hereto at its address and contact number specified below, or at such other address and contact number as is designated by such party in a written notice to the other parties hereto:

(a) Issuers and the Company: Gauzy Ltd.

Gauzy Ltd.
14 Hatehiya Street, Tel Aviv-Yafo, ISRAEL, 6816914
Attn: Eyal Peso, Meir Peleg
Email: Eyal@gauzy.com; Meir.Peleg@gauzy.com

(b) Administrative Agent and Collateral Agent:

OIC Investment Agent, LLC
292 Madison Avenue, Suite 2500
New York, NY 10017
Attention: Drew Karian, Zhao Yang, Ryan Davidson and Matthew Levy
Email: team_gauzy@oic.com

(c) If to a Purchaser, to it at its address (or facsimile number) set forth herein or as notified in writing to the Company and the Administrative Agent.

All notices and communications shall be effective when received by the addressee thereof during business hours on a Business Day in such Person's location as indicated by such Person's address in clauses (a) to (c) above, or at such other address as is designated by such Person in a written notice to the other parties hereto.

Section 10.02 Waivers; Amendments.

(a) No Deemed Waivers; Remedies Cumulative. No failure or delay on the part of any Agent or any Purchaser in exercising any right, power or privilege hereunder or under any other Note Document and no course of dealing between any Note Party, or any of each Issuer's Affiliates, on the one hand, and any Agent or Purchaser on the other hand, shall impair any such right, power or privilege or operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or under any other Note Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or thereunder. The rights, powers and remedies herein or in any other Note Document expressly provided are cumulative and not exclusive of any rights, powers or remedies which any party thereto would otherwise have. No notice to or demand on any Issuer in any case shall entitle an Issuer to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of any Agent or any Purchaser to any other or further action in any circumstances without notice or demand.

(b) Amendments. No amendment or waiver of any provision of this Agreement or any other Note Document (other than the Agent Reimbursement Letter and any fee letter between one or more Note Parties and a Purchaser, each of which may be waived, amended or modified by the parties thereto in accordance with the terms thereof), and no consent to any departure by any Issuer shall be effective unless in writing signed by the Administrative Agent, the Required Purchasers and the Company; *provided* that (A) no amendment, waiver or consent shall, without the written consent of the relevant Agent, affect the rights or duties of such Agent under this Agreement or any other Note Document, (B) any separate fee agreement between Issuers and the Administrative Agent in its capacity as such or between Issuers and the Collateral Agent in its capacity as such may be amended or modified by such parties and (C) any waiver, amendment or consent that by its terms affects any Purchaser disproportionately adversely relative to other affected Purchasers shall require the consent of such Purchaser. Notwithstanding anything herein or in any other Note Document to the contrary, the Note Parties and the Agents may (but shall not be obligated to) amend or supplement any Security Document without the consent of any Purchaser to cure any ambiguity, defect or inconsistency which is not material, or to make any change that would provide any additional rights or benefits to the Purchasers.

Notwithstanding anything to the contrary in any Note Document, the Company, the Administrative Agent and the Collateral Agent may, without the need to obtain consent of any Purchaser, enter into an amendment to this Agreement and the other Note Documents to (i) correct or cure any ambiguities, errors, omissions, mistakes, inconsistencies or defects jointly identified by the Company and the Administrative Agent, (ii) to effect administrative changes of a technical or immaterial nature, or (iii) to fix incorrect cross-references or similar inaccuracies in this Agreement or the applicable Note Document.

(c) In connection with any proposed amendment, modification, waiver or termination (a "Proposed Change") requiring the consent of all Purchasers or all directly and adversely affected Purchasers, or if the consent of the Required Purchasers (or any specified majority in interest of the Notes) to such Proposed Change is obtained, but the consent to such Proposed Change of other Purchasers whose consent is required is not obtained (any such Purchaser whose consent is not obtained as described in this Section being referred to as a "Non-Consenting Purchaser"), then, the Issuers may, at their sole expense and effort, upon notice to such Non-Consenting Purchaser and the Administrative Agent, (x) repay all obligations of such Issuer owing to such Purchaser relating to the applicable Notes held by such Purchaser as of such termination date or (y) require such Non- Consenting Purchaser to assign and delegate all its interests, rights and obligations under this Agreement to any Person that shall assume such obligations, provided that (a) such Non- Consenting Purchaser shall have received payment of an amount equal to the outstanding principal of its Notes, accrued interest thereon, Accrued Interest, accrued fees and all other amounts payable to it hereunder from the Issuers or assignee (to the extent of such outstanding principal and accrued interest and fees) or the Issuers (in the case of all other amounts) and (b) in the case of clause (y) above, unless waived, such assignee shall have paid to the Administrative Agent the processing and recordation fee referred to in Section 10.04(b). Notwithstanding anything herein to the contrary, each party hereto agrees that any assignment pursuant to the terms of this Section may be effected pursuant to an Assignment and Assumption executed by the Company, the Administrative Agent and the assignee and that the Non-Consenting Purchaser making such assignment need not be a party thereto.

Section 10.03 Expenses; Indemnity; Etc.

(a) Costs and Expenses. Each Issuer agrees to pay or reimburse each of the Agents and the Purchasers for: (I) all reasonable and documented out-of-pocket costs and expenses, together with all amounts in respect of VAT if any, of the Agents and the Purchasers (including, subject to Section 2.03(c), the reasonable fees and expenses of Latham & Watkins LLP, counsel to the Administrative Agent and the Collateral Agent (or such other external counsel that the Agents may select from time to time) and experts engaged by the Agents or the Purchasers from time to time, including any project or construction management consultants) in connection with (A) the negotiation, preparation, execution, delivery and performance of this Agreement and the other Note Documents and the extension of credit under this Agreement (whether or not the transaction contemplated hereby and thereby shall be consummated), (B) any amendment, modification or waiver of any of the terms of this Agreement or any other Note Documents) or (C) any matters described in Section 5.08; (II) all reasonable and documented out-of-pocket costs and expenses of the Purchasers (including payment of the fees provided for herein) and the Agents (including external counsels' fees and expenses and reasonable experts' fees and expenses) in connection with (A) any Default or Event of Default and any enforcement or collection proceedings resulting from such Default or Event of Default or in connection with the negotiation of any restructuring or "work-out" (whether or not consummated) of the obligations of the Gauzy Companies under this Agreement or any other Note Document and (B) the enforcement of this Section 10.03 or the preservation of their respective rights; and (III) all costs and expenses incurred in connection with any filing, registration, recording or perfection of any security interest contemplated by any Security Document or any other document referred to therein. Notwithstanding anything to the contrary in this Agreement, the costs and expenses reimbursable pursuant to this Section 10.03(a) shall be subject to the limitations set forth in the Agent Reimbursement Letter.

(b) Indemnification by Issuers. Each Note Party agrees to indemnify and hold harmless each of the Agents and the Purchasers and their affiliates and their respective directors, officers, employees, administrative agents, attorneys-in-fact and controlling persons (each, an "Indemnified Party") from and against any and all losses, claims, damages and liabilities, joint or several, to which such Indemnified Party may become subject and related to or arising out of any action, claim, litigation, investigation or other proceeding relating to a transaction contemplated by the Note Documents or the execution, delivery and performance of the Note Documents or any other document in any way relating to the Note Documents and the transactions contemplated by the Note Documents (including, for avoidance of doubt, any liabilities arising under or in connection with Environmental Law), and will reimburse any Indemnified Party for all reasonable and documented out-of-pocket expenses (including reasonable and documented out-of-pocket external counsel fees and expenses) as they are incurred in connection therewith, provided that (i) all Indemnified Parties shall be represented by a single Person designated by the Administrative Agent (at the direction of the Required Purchasers) and no Indemnified Party may bring claim or commence any proceedings in connection with this Section independently or other than through the representation of the Person so designated for all Indemnified Parties, taken as a whole, and (ii) legal fees shall be limited to the reasonable and documented or invoiced out-of-pocket fees, expenses, disbursements and other charges of a single firm of counsel for all Indemnified Parties, taken as a whole and, if necessary, one local counsel in each relevant jurisdiction (which may include a single special counsel acting in multiple jurisdictions) and special counsel for each relevant specialty (and, in the case of an actual or perceived conflict of interest, where the party affected by such conflict, informs the Company of such conflict and thereafter retains its own counsel, of another firm of counsel for each such affected person). Note Parties will not be liable under the foregoing indemnification provision to an Indemnified Party to the extent that any loss, claim, damage, liability or expense (x) is found in a final non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct or (y) is found in a final non- appealable judgment by a court of competent jurisdiction to have resulted from disputes among Indemnified Parties (other than any claims arising out of any act or omission on the part of any Gauzy Company or its respective Affiliates). Each Note Party also agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to it, or any of its security holders or creditors related to or arising out of the execution, delivery and performance of any Note Document or any other document in any way relating to the Note Documents or the other transactions contemplated by the Note Documents, except to the extent that any loss, claim, damage or liability is found to have resulted from such Indemnified

Party's gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, non-appealable decision. To the extent permitted by Applicable Law, no Note Party shall assert and hereby waives, any claim against any Indemnified Party, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any Note Document or any agreement or instrument contemplated hereby, any Notes or the use of the proceeds thereof.

(c) Indemnification by Purchasers. To the extent that a Note Party fails to pay any amount required to be paid to any Agent, their affiliates or agents under Section 10.03(a) or Section 10.03(b), each Purchaser severally agrees to pay ratably in accordance with the aggregate principal amount of the Notes held by the Purchaser to such Agent, affiliate or agent such unpaid amount; *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against such Agent, affiliate or agent in its capacity as such.

(d) Settlements; Appearances in Actions. Each Note Party agrees that, without each Indemnified Party's prior written consent, it will not settle, compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding in respect of which indemnification could be sought by or on behalf of such Indemnified Party under this Section (whether or not any Indemnified Party is an actual or potential party to such claim, action or proceeding), unless such settlement, compromise or consent includes an unconditional release of such Indemnified Party from all liability arising out of such claim, action or proceeding. In the event that an Indemnified Party is requested or required to appear as a witness in any action brought by or on behalf of or against any Note Party or any Affiliate thereof in which such Indemnified Party is not named as a defendant, each Note Party agrees to reimburse such Indemnified Party for all reasonable expenses incurred by it in connection with such Indemnified Party's appearing and preparing to appear as such a witness, including the reasonable and documented out-of-pocket fees and disbursements of its external legal counsel. In the case of any claim brought against an Indemnified Party for which a Note Party may be responsible under this Section 10.03, the Agents and the Purchasers agree (at the expense of the Note Parties) to execute such instruments and documents and cooperate as reasonably requested by a Note Party in connection with a Note Party's defense, settlement or compromise of such claim, action or proceeding.

Section 10.04 Successors and Assigns.

(a) Assignments Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) the Note Parties may not assign or otherwise transfer, directly or indirectly, any of their respective rights or obligations hereunder or under any other Note Document without the prior written consent of each Purchaser (and any attempted assignment or transfer by such Note Party without such consent shall be null and void) and (ii) no Purchaser may assign or otherwise transfer, directly or indirectly, any of its rights or obligations hereunder except in accordance with this Section 10.04. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in Section 10.04(f)) and, to the extent expressly contemplated hereby, the Indemnified Parties referred to in Section 10.03(b), the Related Parties of the Administrative Agent appointed pursuant to Section 8.05 and the respective directors, officers, employees, agents and advisors of the Purchasers) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Purchasers. Any Purchaser may assign to one or more Persons that is not a Disqualified Purchaser all or a portion of its rights and obligations under this Agreement (including all or a portion of its Note at the time owing to it); *provided* that:

(i) except in the case of an assignment to a Purchaser or an Affiliate or Approved Fund, the amount of the Notes of the assigning Purchaser subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $500,000 unless the Company and Administrative Agent otherwise consents;

(ii) except in the case of (A) an assignment to an Approved Affiliate, or (B) if an Event of Default has occurred and is continuing, the Company has given its prior written consent to such assignment, such consent not to be unreasonably withheld, conditioned or delayed; *provided* that such consent shall be deemed given if the Company has not responded to a written request for such consent within five (5) Business Days of the request;

(iii) except in the case of an assignment to an OIC Entity, the Administrative Agent must give its prior written consent to such assignment, not to be unreasonably withheld, conditioned or delayed;

(iv) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Purchaser's rights and obligations under this Agreement and the other Note Documents (including all or a portion of the Notes owing to it); provided that the assignee assumes the rights and obligations of a Purchaser, including representations by the assignee under Article IV-A and that it is not a Disqualified Purchaser;

(v) except in the case of an assignment to an Affiliate or an Approved Fund, the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; and

(vi) the assignee, if it shall not be a Purchaser, shall deliver to the Administrative Agent an Administrative Questionnaire.

Upon acceptance and recording pursuant to Section 10.04(d), from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party hereto and shall be deemed to have made as of such date of assignment the representations and warranties of the Purchasers set forth in Article IV.A hereof, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Purchaser under this Agreement, and the assigning Purchaser thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Purchaser's rights and obligations under this Agreement, such Purchaser shall cease to be a party hereto but shall continue to be entitled to the benefits of Section 2.09, Section 2.10 and Section 10.03). Any assignment or transfer by a Purchaser of rights or obligations under this Agreement that does not comply with this Section 10.04(b) shall be treated for purposes of this Agreement as a sale by such Purchaser of a participation in such rights and obligations in accordance with Section 10.04(f).

(c) Maintenance of Register by the Administrative Agent. The Administrative Agent, acting for this purpose as an agent of the Issuers, shall maintain at one of its offices in New York City a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Purchasers and the principal amount (and stated interest) of the Notes from time to time and the amount of any Accrued Interest owing to each Purchaser pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Issuers, the Administrative Agent and the Purchasers shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Purchaser hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Issuers and any Purchaser, at any reasonable time and from time to time upon reasonable prior notice. The Administrative Agent shall give (i) the Issuers promptly upon request therefor, a complete and correct copy of the Register, and (ii) to any Purchaser promptly upon request therefor, a complete and correct copy of the names and addresses of all registered Purchasers.

(d) Effectiveness of Assignments. Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Purchaser and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Purchaser hereunder), the processing and recordation fee referred to in Section 10.04(b) and any written consent to such assignment required by Section 10.04(b), the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this Section 10.04(d).

(e) Limitations on Rights of Assignees. Any Note or Notes issued in exchange for any Note or upon transfer thereof shall carry the rights to payment of principal (including, without limitation, any capitalized interest) and unpaid interest which were carried by the Note so exchanged or transferred, so that neither gain nor loss of interest shall result from any

such transfer or exchange. For the avoidance of doubt, an assignee Purchaser shall not be entitled to receive and no Note Party shall incur or be required to reimburse an assignee Purchaser for, any greater payment under Section 2.09 or Section 2.10 than the assigning Purchaser would have been entitled to receive with respect to the interest assigned to such assignee (based on the circumstances existing at the time of the assignment).

(f) Participations. Any Purchaser may, without the consent of Issuers or the Administrative Agent, sell participations to one or more banks or other entities (other than a holding company investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person, a Disqualified Purchaser, or a Note Party or any Note Party's Affiliates or Subsidiaries) (a "Participant") in all or a portion of such Purchaser's rights and obligations under this Agreement and the other Note Documents (including all or a portion of the Notes owing to it); *provided* that (i) such Purchaser's obligations under this Agreement and the other Note Documents shall remain unchanged, (ii) such Purchaser shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Note Parties, the Administrative Agent and the other Purchasers shall continue to deal solely and directly with such Purchaser in connection with such Purchaser's rights and obligations under this Agreement and the other Note Documents. For the avoidance of doubt, each Purchaser shall be responsible for the indemnity under Section 10.03(b) with respect to any payments made by such Purchaser to its Participant(s). Any agreement or instrument pursuant to which a Purchaser sells such a participation shall provide that such Purchaser shall retain the sole right to enforce this Agreement and the other Note Documents and to approve any amendment, modification or waiver of any provision of this Agreement or any other Note Document; *provided* that, such agreement or instrument may provide that such Purchaser will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 10.02(b) that affects such Participant. Subject to Section 10.04(g), Issuers agree that each Participant shall be entitled to the benefits of Section 2.08,Section 2.09 (subject to the requirements and limitations therein) and Section 2.10 to the same extent as if it were a Purchaser and had acquired its interest by assignment pursuant to Section 10.04(b). Each Purchaser that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Issuers, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Notes or other obligations under the Note Documents held by it (the "Participant Register"); *provided* that no Purchaser shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Notes or its other obligations under any Note Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, Note, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations and Section 1.163-5(b) of the proposed United States Treasury Regulations (or any amended or successor version thereof). The entries in the Participant Register shall be conclusive absent manifest error, and such Purchaser shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(g) Limitations on Rights of Participants. A Participant shall not be entitled to receive any greater payment under Section 2.08 or Section 2.09 than the applicable Purchaser would have been entitled to receive with respect to the participation sold to such Participant, unless (i) the sale of the participation to such Participant is made with each Issuer's prior written consent, or (ii) such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation.

(h) Certain Pledges.

(i) Any Purchaser may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Purchaser, including any such pledge or assignment to a Federal Reserve Bank, the European Central Bank or any other central bank or similar monetary authority in the jurisdiction of such Purchaser, and this Section shall not apply to any such pledge or assignment of a security interest; *provided* that no such pledge or assignment of a security interest shall release a Purchaser from any of its obligations hereunder or substitute any such pledgee or assignee for such Purchaser as a party hereto; and *provided further* that any payment in respect of such pledge or assignment made by any Note Party to or for the account of the pledging or assigning Purchaser in accordance with the terms of this Agreement shall satisfy such Note Party's obligations hereunder in respect of such pledged or assigned Notes to the extent of such payment.

(ii) Notwithstanding any other provision of this Agreement, any Purchaser may, without informing, consulting with or obtaining the consent of any other party to the Note Documents and without formality under any Note Documents, assign by way of security, mortgage, charge or otherwise create security by any means over, its rights under any Note Document to secure the obligations of that Purchaser to any Person that would be a permitted assignee (without the consent of Issuers or any Agent) pursuant to Section 10.04(b).

(i) No Assignments to Company or Affiliates. Anything in this Section to the contrary notwithstanding, no Purchaser may assign or participate any interest in any Notes held by it hereunder to any Note Party or any Affiliate of the Company without the prior written consent of each other Purchaser.

Section 10.05 Survival. All covenants, agreements, representations and warranties made by the Note Parties herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Notes, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Purchaser may have had notice or knowledge of any Default or Event of Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Notes or any fee or any other amount payable under this Agreement is outstanding and unpaid. The provisions of Section 2.08, 2.09, 2.10, 10.03, 10.05, 10.12, 10.13, 10.14, 10.15 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Notes, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

Section 10.06 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Note Documents to which a Note Party is party constitute the entire contract between and among the parties relating to the subject matter hereof and thereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Delivery of an executed counterpart of a signature page to this Agreement by telecopy or scanned electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 10.07 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 10.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Purchaser is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held, and any other indebtedness at any time owing, by such Purchaser to or for the credit or the account of any Issuer against any of and all the obligations of any Issuer now or hereafter existing under this Agreement held by such Purchaser, irrespective of whether or not such Purchaser shall have made any demand under this Agreement and although such obligations may be unmatured or denominated in a currency other than Dollars. The applicable Purchaser shall notify the Issuer and the Administrative Agent of such setoff and application, provided that any failure to give or any delay in giving such notice shall not affect the validity of any such setoff and application hereunder. The rights of each Purchaser under this Section are in addition to other rights and remedies (including other rights of setoff) which such Purchaser may have.

Section 10.09 Governing Law; Jurisdiction; Etc.

(a) Governing Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT AND ANY DISPUTE OF CLAIMS

ARISING IN CONNECTION THEREWITH SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) Submission to Jurisdiction; Consent to Service of Process. Any legal action or proceeding with respect to this Agreement or any other Note Document to which a Note Party is a party shall, except as provided in clause (d) below, and subject to the IIA Provision, be brought in the courts of the State of New York, or of the United States District Court for the Southern District of New York, in each case, seated in the County of New York and, by execution and delivery of this Agreement, each party hereto hereby irrevocably accepts for itself and in respect of its property, generally and unconditionally, the exclusive jurisdiction of the aforesaid courts. Each party hereto agrees that a judgment, after exhaustion of all available appeals, in any such action or proceeding shall be conclusive and binding upon it, and may be enforced in any other jurisdiction, including by a suit upon such judgment, a certified copy of which shall be conclusive evidence of the judgment. Each party hereto hereby further irrevocably consents to the service of process in any action or proceeding in such courts by the mailing thereof by any parties thereto by registered or certified mail, postage prepaid, to such party at the address specified for such party in Section 10.01 and agrees that such service of process is sufficient to confer personal jurisdiction over such party in any such court, and otherwise constitutes effective and binding service in every respect.

(c) Waiver of Venue. Each party hereto hereby irrevocably waives any objection that it may now have or hereafter have to the laying of the venue of any suit, action or proceeding arising out of or relating to the Business, this Agreement or any other Note Document to which it is a party brought in the Supreme Court of the State of New York or in the United States District Court for the Southern District of New York, in each case, seated in the County of New York and hereby further irrevocably waives any right to stay or dismiss any such suit, action or proceeding brought in any such court on the basis of having been brought in an inconvenient forum.

(d) Rights of the Secured Parties. Nothing in this Section 10.09 shall limit the right of the Secured Parties to refer any claim to enforce a judgment under this Agreement against a Note Party to any court of competent jurisdiction in any State or jurisdiction where any Collateral is located, nor shall the taking of proceedings by any Secured Party before the courts in one or more jurisdictions preclude the taking of proceedings in any other jurisdiction whether concurrently or not.

(e) WAIVER OF JURY TRIAL. EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ITS RESPECTIVE RIGHTS TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER THIS AGREEMENT OR ANY OTHER NOTE DOCUMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT OR ANY OTHER NOTE DOCUMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER FOUNDED IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE SIGNATORIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY. EACH PARTY TO THIS AGREEMENT ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS Section 10.09 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO OR ANY OF THE OTHER NOTE DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE NOTES MADE HEREUNDER.

(f) Waiver of Immunity. To the extent that a party has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution, sovereign immunity or otherwise) with respect to itself or its property, it hereby irrevocably waives such immunity, to the fullest extent permitted by law, in respect of its obligations under this Agreement and the other Note Documents.

Section 10.10 Acknowledgment Regarding Any Supported QFCs. To the extent that the Note Documents provide support, through a guarantee or otherwise, for Swap Agreements or any other agreement or instrument that is a QFC (such support, "QFC Credit Support" and each such QFC a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Note Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States).

(a) In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Note Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Note Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a defaulting Purchaser shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 10.10, the following terms have the following meanings:

(i) "BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such part.

(ii) "Covered Entity" means any of the following:

(A) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. §252.82(b);

(B) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. §47.3(b); or

(C) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. §382.2(b).

(iii) "Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

(iv) "QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

Section 10.11 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 10.12 Confidentiality. Each of the Agents and the Purchasers agrees to maintain the confidentiality of the Information (as defined below), except that Information may

be disclosed (i) to its and its Affiliates' directors, officers, employees, board members (and members of committees thereof), managers, agents, consultants, Persons providing administration and settlement services and other professional advisors, including accountants, auditors, legal counsel, investment advisers or managers (to the extent providing investment advice relating to the transactions contemplated by this Agreement) and other advisors, in each case, with a bona fide need to know (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (ii) to the extent requested by any applicable regulatory or supervisory body or authority (including, without limitation, the National Association of Insurance Commissioners, the SVO or any similar organization, and any nationally recognized rating agency that requires access to information about any Purchaser's investment portfolio), by Applicable Laws or regulations or by any subpoena, oral question posed at any deposition, interrogatory or similar legal process (including, for the avoidance of doubt, to the extent requested in connection with any pledge or assignment pursuant to Section 10.04(h)); *provided* that the party from whom disclosure is being required shall give notice thereof to the Company as soon as practicable (unless restricted from doing so and except where disclosure is to be made to a regulatory or supervisory body or authority during the ordinary course of its supervisory or regulatory function), (iii) to any other party to this Agreement, (iv) subject to an agreement containing provisions substantially the same as those of this Section 10.12, to any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (v) with the consent of the Company, (vi) to the extent such Information (A) becomes publicly available other than as a result of a breach of this Section 10.12 or (B) becomes available to any Agent or any Purchaser on a non-confidential basis from a source other than the Company other than as a result of a breach of this Section 10.12 or (vii) to any Person with whom the Company, an Agent or a Purchaser has entered into (or potentially may enter into), whether directly or indirectly, any transaction under which payments are to be made or may be made by reference to, one or more Note Documents and/or the Company or to any of such Person's Affiliates, representatives, agents or professional advisors. For the purposes of this Section 10.12, "Information" means all information received from the Note Parties relating to such Note Party's business or otherwise furnished pursuant to this Agreement or any other Note Document, other than any such information that is available to the Agents or any Purchaser on a non-confidential basis prior to disclosure by the Company. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Section 10.13 Interest Rate Limitation.

(a) It is the intention of the parties hereto that each Purchaser shall conform strictly to usury laws applicable to it. Accordingly, if the transactions contemplated hereby would be usurious as to any Purchaser under laws applicable to it (including the laws of the United States and the laws of any State whose laws may be mandatorily applicable to such Purchaser notwithstanding the other provisions of this Agreement), then, in that event, notwithstanding anything to the contrary in any of the Note Documents or any agreement entered into in connection with or as security for the Notes, it is agreed as follows: (i) the aggregate of all consideration which constitutes interest under law applicable to any Purchaser that is contracted for, taken, reserved, charged or received by such Purchaser under any of the Note Documents or agreements or otherwise in connection with the Notes shall under no circumstances exceed the maximum amount allowed by such applicable law, and any excess shall be canceled automatically and if theretofore paid shall be credited by such Purchaser on the principal amount of the Notes (or, to the extent that the principal amount of the Notes shall have been or would thereby be paid in full, refunded by such Purchaser to the relevant Issuer); and (ii) in the event that the maturity of the Notes is accelerated by reason of an election of the holder thereof resulting from any Event of Default under this Agreement or otherwise, or in the event of any required or permitted prepayment, then such consideration that constitutes interest under law applicable to any Purchaser may never include more than the maximum amount allowed by such applicable law, and excess interest, if any, provided for in this Agreement or otherwise shall be canceled automatically by such Purchaser as of the date of such acceleration or prepayment and, if theretofore paid, shall be credited by such Purchaser on the principal amount of the Notes (or, to the extent that the principal amount of the Notes shall have been or would thereby be paid in full, refunded by such Purchaser to the relevant Issuer). All sums paid or agreed to be paid to any Purchaser for the use, forbearance or detention of sums due hereunder shall, to the extent permitted by law applicable to such Purchaser, be amortized, prorated, allocated and spread throughout the stated term of Notes until payment in full so that the rate or amount of interest on account of any Note hereunder does not exceed the maximum amount allowed by such applicable law.

(b) If at any time and from time to time (i) the amount of interest payable to any Purchaser on any date shall be computed at the Highest Lawful Rate applicable to such Purchaser pursuant to this Section 10.13 and (ii) in respect of any subsequent interest computation period the amount of interest otherwise payable to such Purchaser would be less than the amount of interest payable to such Purchaser computed at the Highest Lawful Rate applicable to such Purchaser, then the amount of interest payable to such Purchaser in respect of such subsequent interest computation period shall continue to be computed at the Highest Lawful Rate applicable to such Purchaser until the total amount of interest payable to such Purchaser shall equal the total amount of interest which would have been payable to such Purchaser if the total amount of interest had been computed without giving effect to this Section 10.13.

Section 10.14 No Third Party Beneficiaries. The agreement of the Purchasers to purchase the Notes from the relevant Issuer on the terms and conditions set forth in this Agreement, is solely for the benefit of the Note Parties, the Agents (including, for the avoidance of doubt, Orion Energy Partners TP Agent, LLC with respect to the Administrative Agent's rights and obligations related to funded amounts by Purchasers that are not OIC, L.P. or its Affiliates) and the Purchasers, and no other Person (including any contractor, subcontractor, supplier, workman, carrier, warehouseman or materialman furnishing labor, supplies, goods or services to or for the benefit of Issuers) shall have any rights under this Agreement or under any other Note Document as against the Agents or any Purchaser or with respect to any extension of credit contemplated by this Agreement.

Section 10.15 Reinstatement. The obligations of the Issuers under this Agreement shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Issuer in respect of the Obligations is rescinded or must be otherwise restored by any holder of any of the Obligations, whether as a result of any proceedings in Bankruptcy or reorganization or otherwise, and each Issuer agrees that it will indemnify each Secured Party on demand for all reasonable costs and expenses (including fees of external counsel) incurred by such Secured Party in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any Bankruptcy, insolvency or similar law.

Section 10.16 Release of Collateral.

(a) Notwithstanding anything to the contrary contained herein or in any other Note Document, upon the Discharge of Obligations, upon request of the Company, the Collateral Agent and Administrative Agent shall (without notice to, or vote or consent of, any Purchaser) each take such actions as shall be required to release its security interest in all Collateral, and to release all guarantee obligations provided for in any Note Document. Any such release of guarantee obligations shall be deemed subject to the provision that such guarantee obligations shall be reinstated if after such release any portion of any payment in respect of the Obligations guaranteed thereby shall be rescinded or must otherwise be restored or returned upon any proceedings in Bankruptcy or reorganization or otherwise, all as though such payment had not been made.

(b) Notwithstanding anything to the contrary contained herein or any other Note Document, in connection with a sale or Disposition of property (including Capital Stock in any Person) permitted by this Agreement (i) the Lien encumbering such property shall be automatically released and (ii) upon request of the Company, the Collateral Agent and Administrative Agent shall each (without notice to, or vote or consent of, any Purchaser and at the sole cost and expense of the Company) take such actions as shall be required to release its security interest in such property.

Section 10.17 USA PATRIOT Act. Each Purchaser hereby notifies the Note Parties that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "USA PATRIOT Act"), it is required to obtain, verify and record information that identifies such Note Party, which information includes the name and address of such Note Party and other information that will allow such Purchaser to identify such Note Party in accordance with the USA PATRIOT Act.

Section 10.18 Electronic Execution of Assignments and Certain Other Documents. The words "execution," "execute", "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby (including without limitation Assignment and Assumptions, Notice of Issuances, amendments, waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually

executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 10.19 IIA Provision. The Parties hereby acknowledge that any Liens in any IIA-Funded Know-How, to the extent applicable, and the realization thereof is subject to the Israeli R&D Law. In addition, the Parties hereby acknowledge that (a) the grant of a Lien on any IIA-Funded Know-How will require and will be subject to the approval of the IIA and to the execution and delivery by the Collateral Agent, on behalf of itself and the other Secured Parties, of the IIA Undertaking and (b) any realization of a Lien on IIA-Funded Know-How, including the sale, assignment or license of the IIA-Funded Know-How and its transfer in the context of realization procedures under the Note Documents will require and be subject to the approval of the IIA and to the conditions of the IIA Approval and of the Israeli R&D Law. This paragraph is referred to herein as the "IIA Provision." The Secured Parties hereby authorize the Collateral Agent to take, or refrain from taking, any actions or to enter into any necessary undertakings or agreements on behalf of the Secured Parties that the Collateral Agent shall determine in its sole discretion are necessary to comply with the IIA Provision or any other requirements of the IIA with respect to IIA-Funded Know-How and any ancillary or related property.

Section 10.20 Equitably Subordinated Parties. In this Section 10.20:

"Equitably Subordinated Party" means any Secured Party whose commitments in relation to the Obligations, any other participation rights (including by way of subparticipation) or any other rights and claims under the Note Documents against a Note Party or a security grantor incorporated or established under the laws of Germany which, prior to or in an insolvency of such Note Party or security grantor, would be subordinated or could be subject to potential avoidance claims pursuant to section 39 para. 1 no. 5, section 39 para. 2 or section 135 of the German Insolvency Code (Insolvenzordnung) or section 6 of the German Avoidance Act (Anfechtungsgesetz).

"Equitably Subordinated Liabilities" means the Obligations owed to an Equitably Subordinated Party.

(a) To the extent that the recoveries held by the Administrative Agent are insufficient to discharge the Obligations owed to all the creditors in any priority class and this is due to any Equitably Subordinated Party being part of that class of creditors, the amount to be applied by the Administrative Agent in discharge of the liabilities of that class of creditors shall be distributed to the other creditors of that class and the Equitably Subordinated Party shall not be entitled to receive any part of that amount.

(b) An Equitably Subordinated Party shall not have the benefit, but only the obligations, of any sharing provisions under the Note Documents and shall not be entitled to receive any payment, and the Administrative Agent shall not be required to make any payment to the Equitably Subordinated Party, under or in connection with the Note Documents in respect of any Equitably Subordinated Liabilities.

(c) To the extent that any Equitably Subordinated Liabilities would result in the subordination of the Obligations towards any (other) Secured Party under any Note Document pursuant to section 39 para. 1 no. 5 of the German Insolvency Code (Insolvenzordnung) or prejudice the validity or enforceability of any Collateral or guarantee and/or indemnity provided to any creditor pursuant to the Note Documents in any way the relevant Equitably Subordinated Party shall be deemed not to be a Secured Party under any Security Document and shall not benefit from the guarantee and/or indemnity.

(d) Each Equitably Subordinated Party agrees that to the extent and for so long as its Commitment, participation or sub-participation or other agreement or arrangement relating to a Commitment, including following the assignment of a Commitment, could result in the subordination of claims of any other Secured Party pursuant to any law regarding the subordination of shareholder loans or prejudice or adversely affect the Collateral or guarantee and indemnity under this Agreement (or their enforceability) in any way, the relevant Equitably Subordinated Party shall not be a secured or guaranteed party (however described) under and for the purposes of any Note Document and no amount owing to it under any Note Document shall be secured by the Security Documents (unless the subordination ceases to apply or subsequently or at the same time applies to the Secured Parties generally (other than where such subordination of the Secured Parties generally is caused by an assignment of a Commitment by a Equitably Subordinated Party)).

ARTICLE XI

COMPANY AS ISSUER REPRESENTATIVE

Section 11.01 Appointment; Nature of Relationship. The Company is hereby appointed by each Issuer as its contractual representative hereunder and under each other Note Document, and each of the Issuers irrevocably authorizes the Company to act as the contractual representative of such Issuer with the rights and duties expressly set forth herein and in the other Note Documents. The Company agrees to act as such contractual representative upon the express conditions contained in this Article XI. The Administrative Agent and the Purchasers, and their respective officers, directors, agents or employees, shall not be liable to the Company or any Issuer for any action taken or omitted to be taken by the Company or the Issuers pursuant to this Section 11.01.

Section 11.02 Powers. The Company shall have and may exercise such powers under the Note Documents as are specifically delegated to the Company by the terms of each thereof, together with such powers as are reasonably incidental thereto. The Company shall have no implied duties to the Issuers, or any obligation to the Purchasers to take any action thereunder except any action specifically provided by the Note Documents to be taken by the Company.

Section 11.03 Employment of Agents. The Company may execute any of its duties as the Company hereunder and under any other Note Document by or through authorized officers.

Section 11.04 Notices. Each Issuer shall immediately notify the Company of the occurrence of any Default or Event of Default hereunder, refer to this Agreement, describe such Default or Event of Default, and state that such notice is a "notice of default". In the event that the Company receives such a notice, the Company shall give prompt notice thereof to the Administrative Agent and the Purchasers. Any notice provided to the Company hereunder shall constitute notice to each Issuer on the date received by the Company.

Section 11.05 Successor Company. Upon the prior written consent of the Administrative Agent, the Company may resign at any time, such resignation to be effective upon the appointment of a successor Company. The Administrative Agent shall give prompt written notice of such resignation to the Purchasers.

Section 11.06 Execution of Note Documents. The Issuers hereby empower and authorize the Company, on behalf of the Issuers, to execute and deliver to the Administrative Agent and the Purchasers the Note Documents and all related agreements, certificates, documents, or instruments as shall be necessary or appropriate to effect the purposes of the Note Documents. Each Issuer agrees that any action taken by the Company or the Issuers in accordance with the terms of this Agreement or the other Note Documents, and the exercise by the Company of its powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Issuers.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

GAUZY LTD., as the Company and Guarantor

By: /s/ Eyal Peso /s/ Meir Peleg

Name: Eyal Peso Meir Peleg
Title: CEO CFO

VISION LITE SAS, as French Issuer and Guarantor

By: /s/ Eyal Peso

Name:
Title:

GAUZY USA, INC., as Guarantor

By: /s/ Eyal Peso

Name:
Title:

GAUZY GMBH, as Guarantor

By: /s/ Eyal Peso

Name:
Title:

OIC INVESTMENT AGENT, LLC,
as Administrative Agent and Collateral Agent

By: /s/ Jeremy Glick

Name:
Title:

OIC GROWTH FUND I, L.P.,
as a Purchaser

By: /s/ Jeremy Glick

Name:
Title:

OIC GROWTH FUND I PV, L.P.,
as a Purchaser

By: /s/ Jeremy Glick

Name:
Title:

OIC GROWTH FUND I AUS, L.P.
as a Purchaser

By: /s/ Jeremy Glick

Name:
Title:

OIC GROWTH FUND I GPFA, L.P.
as a Purchaser

By: /s/ Jeremy Glick
Name:
Title:

Exhibit 10.24

Execution Version

GAUZY LTD.
WARRANT TO PURCHASE PREFERRED SHARES

January 29, 2024

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR QUALIFIED UNDER ANY STATE OR FOREIGN SECURITIES LAW, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR HYPOTHECATED UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT COVERING THIS WARRANT AND/OR SUCH SECURITIES, OR THE HOLDER RECEIVES AN OPINION OF COUNSEL FOR THE HOLDER OF THE WARRANT AND/OR SUCH SECURITIES SATISFACTORY TO THE COMPANY STATING THAT SUCH SALE, TRANSFER, ASSIGNMENT OR HYPOTHECATION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF THE SECURITIES ACT AND THE QUALIFICATION REQUIREMENTS UNDER APPLICABLE STATE OR FOREIGN LAW.

This Certifies That, for value received, OIC Growth Gauzy Holdings, LLC (the "**Holder**") is entitled to subscribe for and purchase at the Exercise Price (as defined below) from **Gauzy Ltd.**, a company incorporated and existing under the laws of the State of Israel having its principal offices at the 14 Hatchiya St., Tel-Aviv, Israel 6816914 (the "**Company**") the Warrant Shares (as defined below).

1. **Definitions**. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in that certain Note Purchase Agreement by and between the Company, Vision Lite SAS, certain Purchasers (as such term is defined in the Note Purchase Agreement) and the Holder (amongst others), dated as of January 9, 2024 (the "**Agreement**"). In addition, as used herein, the following terms shall have the following respective meanings:

"**Additional Commitment Funding**" shall mean that an OIC Entity has purchased Common Stock from the underwriters in an Eligible IPO having an aggregate purchase price of $15,000,000 (or such lesser amount as the underwriters offer to the OIC Entities and the OIC Entities purchase such amount in full).

"**Additional Warrant Shares**" shall mean 31,210 number of Ordinary Shares representing 1% of the Company's share capital on a fully diluted basis as of the date hereof, or such pro-rated number of Ordinary Shares to the extent the OIC Entities have been offered by the underwriters an amount less than $15,000,000 and the OIC Entities purchase such amount in full.

"**Articles**" shall mean the Amended and Restated Articles of Association of the Company, dated as of January 24, 2024, as amended from time to time.

"**CFC**" shall have the meaning as ascribed to it in Section 4(g).

"**Deemed Liquidation**" shall have the meaning as ascribed to it in the Articles.

"**Designated IPO**" shall have the meaning as ascribed to it in the Articles.

"**Exercise Date**" shall mean the date of exercise of this Warrant.

"**Exercise Period**" shall mean a period commencing as of the date hereof and ending on November 8, 2028.

"**Exercise Price**" shall mean an exercise price per Warrant Share equal to (a) if a Qualified IPO is completed on or prior to March 31, 2024, the price per share for each share of the Company issued at such Qualified IPO; and (b) if a Qualified IPO is not completed by March 31, 2024, the price of the Preferred D-5 Shares as determined by a 409A valuation of the Company completed between April 1, 2024 and June 30, 2024.

"**Exercised Shares**" shall mean those Warrant Shares issued by the Company to the Holder pursuant to any exercise of this Warrant from time to time.

"**IRA**" shall mean that certain Amended and Restated Investors' Rights Agreement, dated as of January 27, 2022, by and among the Company, Eyal Peso, Adrian Lofer, Dimitry Dobrenko, and the persons or entities identified in Schedule I attached thereto.

"**Ordinary Shares**" shall have the meaning ascribed to it in the Articles.

"**Permitted Transferee**" shall mean any of the following (no clause below shall derogate from the applicability of any other clause below):

(a) If the Holder is an individual, a trust which does not permit any of the settled property or the income therefrom to be applied otherwise than for the benefit of such Holder and no power of control over the voting powers conferred by any shares are subject to the consent of any person other than the trustees of such Holder;

(b) If the Holder is a general or limited partnership, its partners or members, as the case may be; its management company; limited or general partnerships managed by its management company or its managing general partner; or limited or general partnerships managed by an Affiliate of its management company or the managing general partner of its general or limited partnership in question (e.g. managed by general partners which are under similar control as the general partner of the Holder);

(c) If the Holder is a hedge fund or a venture capital fund, transferees that become transferees either in (i) a disposition which is part of a disposition of a significant portion of the investments of such fund, (ii) a disposition in connection with the dissolution of the fund, or (iii) a disposition resulting from a regulatory or tax constraint applicable to the fund or any of the partners in the fund;

(d) An entity or person which is an Affiliate of the Holder;

(e) If the Holder is an individual, such Shareholder's spouse, children, lineal descendant or antecedent; and

(f) any successor or permitted assign of a Purchaser under the Agreement.

"**PFIC**" shall have the meaning as ascribed to it in Section 4(g).

"**Preferred Shares**" shall have the meaning ascribed to it in the Articles.

"**Preferred D-5 Shares**" shall have the meaning ascribed to it in the Articles.

"**Relevant Class of Shares**" shall mean prior and up to the completion of a Qualified IPO by the Company, Preferred D-5 Shares, and upon and following the completion of a Qualified IPO by the Company, Ordinary Shares (subject to adjustment in accordance with Section 5(a) below).

"**Warrant**" means this Warrant to Purchase Preferred Shares.

"**Warrant Shares**" shall mean (a) prior and up to the completion of a Qualified IPO by the Company, 140,444 Preferred D-5 Shares to be issued to the Holder, representing 4.5% of the Company's share capital on a fully diluted basis as of the date hereof, as such number of Preferred D-5 Shares may be adjusted in accordance with Section 5(a), and

(b) upon and following the completion of a Qualified IPO by the Company, the number of Ordinary Shares that the number of Preferred D-5 Shares in clause (a) would have converted into upon the date of completion of such Qualified IPO taking into account any adjustments at or prior to such time under Section 10.3.5 of the Articles (as in effect immediately prior to the completion of such Qualified IPO); provided that, upon the occurrence of the Additional Commitment Funding, the number of Warrant Shares shall be increased by the number of Additional Warrant Shares.

2. Exercisability of Warrant.

(a) In the event the Holder exercises this Warrant for part, but not all, of the exercisable Warrant Shares, then the Holder shall continue to be entitled to exercise, in part or in full, the remaining unexercised Warrant Shares, and the Company shall grant to Holder a new Warrant (dated the date hereof) evidencing the rights of the Holder to purchase the unexercised Shares as provided for by this Warrant, and such new Warrant shall in all other respects be identical to this Warrant.

(b) This Warrant shall expire upon the earlier of: (i) the expiration of the Exercise Period; and (ii) the exercise of this Warrant with respect to all Warrant Shares issuable hereunder.

3. Exercise of Warrant.

(a) Cash Exercise. The purchase rights represented by this Warrant may be exercised by the Holder, in whole or in part, at any time and from time to time during the Exercise Period by the surrender of this Warrant (with the notice of exercise in the form attached hereto as Exhibit A duly executed; provided, that such Notice of Exercise and related surrender of this Warrant may be conditioned and effective upon the happening of certain events or conditions, including the consummation of a Qualified IPO) and payment to the Company of an amount equal to the Exercise Price multiplied by the number of Warrant Shares being purchased.

(b) Net Exercise. In lieu of the payment method set forth inSection 3(a) above, the Holder may, at any time and from time to time during the Exercise Period, elect to exercise this Warrant for the number of Warrant Shares computed using the following formula:

$$X = \frac{Y * (A - B)}{A}$$

Where X = the number of Warrant Shares to be issued to the Holder.

Y = the number of Warrant Shares exercised pursuant to this Warrant (excluding Warrant Shares already issued under this Warrant).

A = the Fair Market Value (as defined below) of one Warrant Share (as of the date of such calculation).

B = Exercise Price per one Warrant Share (as adjusted to the date of such calculations).

"**Fair Market Value**" of a Warrant Share shall mean:

(i) If the Company's shares are not publicly traded, then such value as determined by the Company's Board of Directors in good faith.

(ii) If the Warrant is exercised after the Company's shares are publicly traded, the average price per share of the Company as listed on the relevant exchange for the thirty (30) day period immediately prior to the Exercise Date.

(c) Issuance of Shares on Exercise. Upon the exercise of the rights represented by this Warrant, a certificate or certificates for the Exercised Shares, registered in the name of the Holder, shall be issued and delivered to the Holder by the Company as soon as is reasonably practicable after the rights represented by this Warrant shall have been so exercised, but in any event within five (5) Business Days thereof. Issuance of Exercised Shares to the Holder upon the exercise of this Warrant shall be made without charge to the Holder for any issue or transfer taxes in respect of the issuance of such Exercised Shares, all of which taxes shall be paid by the Company.

(d) Holder of Record. The person in whose name any certificate or certificates for Exercised Shares are to be issued upon exercise of this Warrant shall be deemed to have become the holder of record of such shares on the date on which this Warrant was surrendered and, in case of exercise under Section 3(a) only, upon payment of the Exercise Price, irrespective of the date of delivery of such certificate or certificates.

4. Company Representations and Warranties; Covenants

(a) Due Authorization, Execution and Issuance. The Company represents and warrants to the Holder as follows: (i) this Warrant has been duly authorized and executed by the Company and is a valid and binding obligation of the Company, enforceable in accordance with its terms; (ii) the execution and delivery of this Warrant are not, and the issuance of the Warrant Shares upon exercise hereof, will not be, inconsistent or conflict with the Company's governing documents, do not and will not contravene any law, governmental rule or regulation, judgement or order applicable to the Company, and do not and will not conflict with or contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument of which the Company is a party or by which it is bound, or require the consent or approval of, the giving of notice to, the registration with or the taking of any action in respect of or by, any government authority or agency or other person, other than those consents or approvals that shall have been previously obtained.

(b) Covenants as to Exercised Shares. The Company covenants and agrees that all Exercised Shares that may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be validly issued and outstanding, fully paid and non-assessable, and free from all taxes, liens and charges with respect to the issuance thereof and free from all preemptive rights of any shareholder. Subject to the provisions of Section 2(c) and Section 4(c), the Company further covenants and agrees that the Company will at all times during the Exercise Period have authorized and reserved, free from preemptive rights, a sufficient number of Relevant Class of Shares to allow for the exercise of rights represented by this Warrant. If at any time during the Exercise Period the number of authorized but unissued Relevant Class of Shares (and, to the extent relevant, Ordinary Shares issuable upon conversion of such Preferred D-5 Shares, to the extent applicable) shall not be sufficient to permit exercise of this Warrant in full, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued number of Preferred D-5 Shares and Ordinary Shares to such number of Relevant Class of Shares as shall be sufficient for such purposes.

(c) No Impairment. Except and to the extent as waived or consented to by the Holder, the Company will not by amendment of its Articles or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out all the provisions of this Warrant and in the taking of all such action as may be reasonably necessary or appropriate in order to protect the exercise rights of the Holder against impairment. In addition, the Company shall not amend the Organizational Documents of the Company in a manner that would, by the terms of such amendment and the direct impacts therefrom, be materially adverse to the Holder or otherwise change the rights or terms of the Preferred D-5 Shares or Ordinary Shares in any material respect; provided that the foregoing shall not restrict the Company's rights to amend the Organizational Documents of the Company in connection with a Qualified IPO so long as such amendments provide for the equal treatment of all Preferred D-5 Shares, and otherwise comply with the requirements set forth in the Articles, including any consent required under Section 82.1. In connection with any Qualified IPO, the Company shall require that (i) the class or series of shares of the Company in the Qualified IPO that will be sold to the public will be Ordinary Shares, and (ii) that upon the completion of such Qualified IPO, the Company will no longer have any Preferred Shares and the only class or series of shares of the Company issued and outstanding (or issuable pursuant to any warrant, convertible note, or similar instrument) will be the Ordinary Shares.

(d) 409A Valuation. In connection with the determination of the Exercise Price, the Company shall conduct a 409A valuation of the Company between April 1, 2024 and June 30, 2024.

(e) Notices of Record Date. In the event of any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend which is the same as cash dividends paid in previous quarters or any stock dividend) or other distribution, the Company shall send to the Holder, at least ten (10) days prior to such record date, a notice specifying the date on which any such record is to be taken for the purpose of such dividend or distribution.

(f) Other Notices. During the Exercise Period, and subject to any limitation pursuant to applicable law, the Company shall provide the Holder with prior written notice no less than the lesser of (i) ten (10) Business Days, and (ii) to the extent the Company is required to give prior notice to the shareholders of the Company, the same notice period as provided to the shareholders of the Company in the event of: (1) any Designated IPO; (2) any Deemed Liquidation; and (3) any amendments, waivers or modifications to the Organizational Documents of the Company pursuant to Section 4(c) above. Such notice shall include the same information as provided to the shareholders of the Company in connection with their approval thereof.

(g) U.S. Tax Status. The Company is, and shall continue to be, treated as a corporation for U.S. federal income tax purposes and has not made and shall not make any election or taken any action inconsistent with such treatment. As of the date hereof, the Company is not and does not expect to be a passive foreign investment company within the meaning of Section 1297 of the Code (a "**PFIC**") for the current taxable year or in the foreseeable future. As of the date hereof, to the best of its knowledge, the Company is not and does not expect to be a controlled foreign corporation within the meaning of Section 957 of the Code (a "**CFC**").

(h) Investors' Rights Agreement. Prior to the earlier of (x) the date of completion of an IPO (as defined in the Articles) and (y) the date the Holder first exercises this Warrant (in whole or in part), the Company shall amend or modify the IRA to provide that, subject to its exercise of this Warrant (if not so exercised) and solely with respect to the Warrant Shares, the Holder (or its designated Affiliate) shall be an "Investor" under the IRA and have all rights and benefits associated therewith under the IRA.

5. Adjustment of Number of Exercised Preferred Shares and Exercise Price.

(a) Adjustment for Dividends, Share Splits, Recapitalizations, Etc.

(i) In the event of changes in the outstanding share capital of the Company by reason of share dividends, share splits, reverse splits, recapitalizations, reclassifications, combinations or exchanges of shares (including upon an automatic conversion of all outstanding Preferred Shares into Ordinary Shares in accordance with the terms of the Articles), separations, reorganizations, consolidations or mergers of the Company with or into another person (other than a consolidation or merger of the Company in which the Company is the continuing corporation and which does not result in any reclassification or change of any outstanding shares), or any adjustment of the conversion price of the Preferred Shares in accordance with the Articles and unless this Warrant expires in accordance with the terms herein, the number and class of shares available for purchase under this Warrant in the aggregate and the Exercise Price shall be correspondingly adjusted to give the Holder, on exercise for the same aggregate Exercise Price, the total number and class of shares or other securities or property as the Holder would have owned had this Warrant been exercised prior to such event and had the Holder continued to hold such shares until after the event requiring such adjustment. The form of this Warrant need not be changed because of any adjustment in the number of Exercised Shares subject to this Warrant. The Holder shall be entitled to the benefit of all adjustments in the number of Ordinary Shares of the Company issuable upon conversion of the Preferred Shares which occur prior to the exercise of this Warrant, including without limitation, any increase in the number of Ordinary Shares issuable upon conversion as a result of a dilutive issuance of share capital, and to the extent that any Warrant Shares are issuable as Ordinary Shares due to the completion of an IPO (as defined in the Articles), such Warrant Shares will benefit from the same adjustments applied to Preferred Shares, including as contemplated in Section 10.3.5 of the Articles, upon the completion of such IPO (as defined in the Articles).

(ii) If at any time while this Warrant remains outstanding and unexpired, the holders of the Relevant Class of Shares shall have received, or, on the record date fixed for the determination of eligible stockholders, shall have become entitled to receive, any cash dividend or distribution, the Exercise Price then in effect shall be reduced by an amount equal to the cash payable per Relevant Class of Share, as applicable, pursuant to such cash dividend or distribution; provided, that the Exercise Price shall not be reduced below zero pursuant to this Section 5(a)(ii).

(b) Notice of Adjustment. If the Company performs any of the actions or enters into any of the transactions described in Section 5(a), then, in any one or more of the said cases, the Company shall give the Holder prior written notice of such actions and/or transactions, including a description thereof and any record date relevant to such actions and transactions. Such written notice shall be given at least seven (7) days prior to the action in question and at least seven (7) days prior to the record date in respect thereto.

(c) Certificate of Adjustment. Whenever the Exercise Price or the number of Exercised Shares purchasable hereunder shall be adjusted pursuant to this Section 5, the Company shall prepare a certificate setting forth, in reasonable detail, the event requiring the adjustment, the amount of the adjustment, the method by which such adjustment was calculated, and the Exercise Price and the number of Exercised Shares purchasable hereunder after giving effect to such adjustment, and shall provide such certificate to the Holder.

6. Fractional Shares. No fractional shares shall be issued upon the exercise of this Warrant or as a consequence of any adjustment pursuant hereto, and the Warrant Shares issuable hereunder shall be rounded to the closest whole number.

7. No Shareholder Rights. This Warrant in and of itself shall not entitle the Holder to any voting rights or other rights as a shareholder of the Company with respect to the Warrant and the Warrant Shares.

8. Lost, Stolen, Mutilated or Destroyed Warrant. If this Warrant is lost, stolen, mutilated or destroyed, the Company shall, on such terms as to indemnity or otherwise as it may reasonably impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination and tenor as this Warrant so lost, stolen, mutilated or destroyed. Any such new Warrant shall constitute an original contractual obligation of the Company, whether or not the allegedly lost, stolen, mutilated or destroyed Warrant shall be at any time enforceable by anyone.

9. Notices, etc. All notices and other communications required or permitted hereunder shall be in writing and shall be sent by email or overnight courier (if for inland delivery) or international courier (if for overseas delivery) to a party hereto at its address and contact number specified below, or at such other address and contact number as is designated by such party in a written notice to the other parties hereto:

(a) The Company:

Gauzy Ltd.
14 Hatehiya Street, Tel Aviv-Yafo, ISRAEL, 6816914
Attn: Eyal Peso, Meir Peleg
Email: Eyal@gauzy.com; Meir.Peleg@gauzy.com

(b) The Holder:

OIC Investment Agent, LLC
292 Madison Avenue, Suite 2500
New York, NY 10017
Attention: Drew Karian, Zhao Yang, Ryan Davidson and Matthew Levy

All notices and communications shall be effective when received by the addressee thereof during business hours on a Business Day in such Person's location as indicated above, and if received not during business hours, then upon the commencement of the next Business Day. In addition, to the extent notice of any event required hereunder has been provided in accordance with the Agreement, such notice will be deemed to have also been provided hereunder and in accordance herewith.

10. **Assignment**. The Holder may freely assign, sell or transfer its rights and obligations under this Warrant (in whole or in part) to any Permitted Transferee or, upon the occurrence of an Event of Default under the Agreement, to any Person(s) that is not a Disqualified Purchaser, and otherwise this Warrant shall not be assignable or transferable by a Holder without the prior written consent of the Company. The Company shall reasonably cooperate as required to complete any such assignment, including (but not limited to) signing all documents and statements of any kind required to complete such transfer. Upon exercise of the Warrant Shares (in whole or in part), the Warrant Shares shall be subject to any transfer restrictions set forth in the Articles.

11. **Governing Law; Jurisdiction**. This Warrant and all rights, obligations and liabilities hereunder shall be governed by and construed in accordance with the laws of the State of Israel, without regard to conflict of law provisions thereof. The competent courts in Tel-Aviv-Jaffa, Israel shall have exclusive jurisdiction over any matter arising in connection with this Warrant.

12. **Severability**. If any term or provision of this Warrant is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Warrant or invalidate or render unenforceable such term or provision in any other jurisdiction.

13. **Modification; Waiver**. Any provision of this Warrant may be amended or waived only by the written consent of the Company and the Holder.

14. **Interpretation**. For purposes of this Warrant, (a) definitions shall apply equally to the singular and plural forms of the terms defined; (b) words of any gender shall be deemed to include each other gender and neuter forms; (c) Section headings are for convenience only and shall not limit or otherwise affect the meaning hereof; (d) the word "including" and words of similar import shall be deemed to be followed by the phrase "without limitation"; (e) the words "this Warrant," "herein," "hereof," "hereby," "hereunder," and words of similar import shall refer to this Warrant as a whole, and not to any particular subdivision, hereof unless expressly so limited; (f) "or" is not exclusive; (g) unless otherwise specified or the context otherwise requires, (i) any reference to an agreement or other document means such agreement or other document as amended, restated or otherwise modified from time to time in accordance with its terms, (ii) any reference to a Person shall be deemed to include such Person's successors and permitted assigns, (iii) any reference to a Section, a clause or an Exhibit means a Section or a clause of, or an Exhibit to, this Warrant; and (h) any reference to any statute or other law shall be deemed to include all rules, regulations and exemptions promulgated thereunder and all provisions consolidating, amending, replacing, supplementing or interpreting such statute or other law (including any successor provisions). The terms "dollars" and "$" means U.S. dollars, the lawful currency of the United States of America. Any reference in this Agreement to a "day" or a number of "days" (without explicit reference to "Business Days") shall be interpreted as a reference to a calendar day or number of calendar days. For all purposes of this Warrant, if any action is to be taken or given on or by a particular calendar day, and such calendar day is not a Business Day, then such action may be deferred until the next Business Day.

15. **Equitable Relief**. Each party hereto acknowledges and agrees that a breach or threatened breach by such party of any of its obligations under this Warrant would give rise to irreparable harm to the other party hereto for which monetary damages would not be an adequate remedy and hereby agrees that in the event of a breach or a threatened breach by such party of any such obligations, the other party hereto shall, in addition to any and all other rights and remedies that may be available to it in respect of such breach, be entitled to equitable relief, without the need to post a bond, including a restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction.

16. **Taxes**.

(a) Each of the Company and the Holder will bear its own tax consequences arising from the grant of this Warrant or exercise of any of the Warrant Shares. To this end, the Company shall withhold any taxes imposed by Israel on the exercise of the Warrant or distributions on the Warrant Shares, in each case, to the extent required by applicable law, unless the Holder presents the Company, in a timely manner, with a valid exemption from such withholding at source, issued by the Israel Tax Authority in customary form and substance reasonably satisfactory to the Company (which, for the avoidance of doubt, shall require that the Holder provided the Company with an opportunity to review the application to the Israel Tax Authority), in which case the Company shall act in accordance with such certificate. The Company shall give the Holder reasonable advance written notice of any potential withholding in respect of any payments on the Warrant Shares, consult with the Holder in good faith and cooperate with the Holder (including by providing reasonably required information and documentation) in connection with the preparation and filing of the application for the applicable exemption (it being understood that for purpose of this sentence, the Company shall not be required to apply for a certificate of exemption from withholding from the Israel Tax Authority). In the event that the Company pays any amount with respect to Israeli withholding tax on behalf of the Holder without withholding a relevant amount, the Holder shall promptly indemnify the Company for any amounts it has so paid.

(b) Notwithstanding the foregoing, or anything to the contrary herein, the Company may hold in escrow, by itself or through a trustee nominated by the Company, a reasonable amount of Exercised Shares (or any amount of shares to which such Exercised Shares were converted) to secure payment by the Holder of its obligations under Section 16(a), unless (i) the Holder has presented to the Company a valid certificate issued by the Israeli Tax Authority providing for exemption from tax withholding at the rate of one hundred percent (100%), at least two (2) Business Days prior to the date in which the Warrant is exercised; or (ii) the Company has received from the Holder an amount of immediately available funds sufficient to cover the potential payment of Israeli withholding tax required in connection with the exercise of the applicable Warrant. To the extent that the Holder fails to satisfy its obligations under Section 16(b), the Company shall be entitled to sell (or order the trustee to sell, to the extent applicable) such amount of Exercised Shares (or amount of shares to which such Exercised Shares were converted) and use the proceeds received from the sale to pay itself for any amounts the Holder is required to pay under Section 16(a).

(c) Without limiting the foregoing, subject to applicable law, the Holder may instruct the Company to not withhold taxes and to hold in escrow, by itself or through a trustee nominated by the Company, a reasonable amount of Exercised Shares (or any amount of shares to which such Exercised Shares were converted) to secure payment by the Holder of its obligations under Section 16(a) for a period of up to three (3) months so as to allow the Holder to receive the appropriate exemption from the Israeli Tax Authority.

(d) At the request of the Holder, the Company shall procure (at the Company's expense) that:

(i) The Company, in consultation with an internationally recognized accounting firm with expertise in U.S. tax matters ("**External Accountants**"), will (A) determine each year whether or not the Company is likely a PFIC, and notify the Holder of its determination within 45 days of the end of each taxable year, (B) make available to the Holder upon request, all information that the Company (or its External Accountants) used to determine whether or not it is or is not likely to be a PFIC, (C) upon a determination by the Company (in consultation with its External Accountants) that it is, may be, or is likely to become a PFIC for any taxable year, timely provide to the Holder, the "PFIC Annual Information Statement" within the meaning of U.S. Treasury Regulation Section 1.1295-1(g) for such year and other information to permit the Holder to (x) accurately prepare all tax returns and comply with any reporting requirements resulting from such determination and (y) make any election (including a "qualified electing fund" election under Section 1295 of the Code) with respect to each the Company and its subsidiaries and to comply with any associated reporting or other requirements incidental to such election;

(ii) The Company will provide, from time to time upon the request of the Holder, information that is reasonably available to the Company so that the Holder may determine the amount of current and accumulated earnings and profits of the Company computed under the U.S. tax principles; and

(iii) The Company will, upon reasonable request from the Holder (but not more than once a year) who may be (or may have any direct or indirect owner who may be) a "United States shareholder" within the meaning of Section 951(b) of the Code, in consultation with its External Accountants, determine whether or not the Company is likely a CFC, and notify the Holder of its determination within 45 days of such request; and

(iv) If the Company or any of its subsidiaries are determined to be CFCs, and the Holder may be (or may have any direct or indirect owner who may be) treated as a "United States shareholder" within the meaning of Section 951(b) of the Code, the Company will provide, from time to time upon the request of the Holder, information that is reasonably available to the Company so that the Holder may determine the amount of current and accumulated earnings and profits of the Company or relevant subsidiaries that may be treated as CFCs computed under the U.S. tax principles and all other information necessary to determine any "subpart F income" or "global intangible low-taxed income" of the Company or any of its subsidiaries or to prepare tax returns and comply with any reporting requirements.

(e) The Company and the Holder shall cooperate in good faith in determining the amount of any constructive dividend resulting from any adjustment described in Section 5 and, if required, preparing any Internal Revenue Service Form 8937 (or similar tax form) related to such adjustment (for the avoidance of doubt, if there is more than one permissible method to determine the amount of the constructive dividend for U.S. federal income tax purposes, the Company and the Holder will select the method that results in the lowest constructive dividend amount).

[*Signature Page Follows*]

In Witness Whereof, the Company has caused this Warrant to be executed by its duly authorized officer as of the date first set forth above.

Gauzy Ltd.

By: _____
Name:
Title:

Agreed and Acknowledged:

OIC Growth Gauzy Holdings, LLC

By: _____
Name:
Title:

[Signature Page Warrant]

Exhibit A
NOTICE OF EXERCISE

TO: Gauzy Ltd.

1. Election. The undersigned hereby elects to purchase certain [Preferred D-5 Shares][Ordinary Shares] of Gauzy Ltd. (the "**Company**") pursuant to the terms of the attached Warrant, including, for the avoidance of doubt, Section 2(c) of the Warrant. Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

2. Form of Warrant Exercise Price. The undersigned intends that payment of the Exercise Price shall be made as:

2.1 a "Cash Exercise" with respect to _____ Warrant Shares, and tenders herewith payment of $_____; and/or

2.2 a "Cashless Exercise" of _____ Warrant Shares.

3. Issuance Instruction. Please issue a certificate or certificates representing said exercised Warrant Shares in the name of the undersigned:

_____
(Name)

_____
_____
(Address)

_____ _____
(Date) (Signature)

_____
(Print name)

Exhibit 10.25

SHARE PURCHASE AGREEMENT

GAUZY LTD.,

VISION LITE

and

THE SELLERS

February 7th, 2021

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SHARE PURCHASE AGREEMENT

This Share Purchase Agreement (this "**Agreement**") is made as of February 7th, 2021, by and among (i) **Vision Lite**, a French *société par actions simplifiée*, having its registered office at Route d'Irigny – 69530 Brignais, registered under identification number 790 945 422 RCS Lyon (the "**Company**"); (ii) **PONTON**, a French *société par actions simplifiée*, having its registered office at Route d'Irigny – 69530 Brignais, registered under identification number 795 336 585 RCS Lyon, represented by its President, Mr. Carl Putman (the "**First Individual Seller**"); (iii) **REFUGE**, a French *société par actions simplifiée*, having its registered office at 9 rue Pierre Curie, 69500 Bron, registered under identification number 795 336 213 RCS Lyon, represented by its President Ms. Catherine Robin (the "**Second Individual Seller**" and together with the First Individual Seller, the "**Individual Sellers**"); (iv) **Fonds Nouvel Investissement 2**, a French *société d'investissement à capital variable*, having its registered office at 117, avenue des Champs Elysées – 75008 Paris registered under identification number 812 982 122 RCS Paris, represented by its President IDINVEST Partners, a French *société anonyme*, having its registered office at 117, avenue des Champs Elysées – 75008 Paris registered under identification number 414 735 175 RCS Paris, itself represented by Ms. Valérie Ducourty, duly authorized for the purposes hereof ("**IDInvest**" and together with the Individual Sellers, each a "**Seller**" and collectively, the "**Sellers**"); (v) **Mr. Carl Putman**, as the representative of the Sellers (the "**Sellers' Representative**"); and (vi) **Gauzy Ltd.**, a company organized under the laws of the State of Israel, having its principal offices at the 14 Hatchiya St., Tel-Aviv, Israel 6816914 (the "**Purchaser**").

The above parties shall be referred to hereinafter, each as a "**Party**" and collectively, the "**Parties**").

Capitalized terms used herein (including in the immediately preceding sentence) and not otherwise defined herein shall have the meanings set forth in Section 1 hereof.

RECITALS

WHEREAS, the Sellers own one hundred percent (100%) of the Equity Securities of the Company, which as of the date hereof consist of the Purchased Shares;

WHEREAS, in consideration for the Purchase Price, the Purchaser desires to purchase from the Sellers, and the Sellers desire to sell, convey, transfer and assign to the Purchaser, all of the issued and outstanding Equity Securities of the Company (the "**Purchased Shares**") as of the Closing, such that upon the Closing, the Purchaser shall own all of the Equity Securities of the Company on a Fully Diluted Basis, all in accordance with the terms and subject to the conditions set out in this Agreement; and

WHEREAS, the Group has a works council (*comité social et économique*) which has been duly informed and consulted and has given its opinion in accordance with applicable Laws concerning the sale of the Purchased Shares to the Purchaser and, prior to signing of the Agreement, all employees of the Company have been informed of their right to make an offer to buy the Company and have expressly waived such right in writing, in accordance with article L. 23-10-7 et seq. of the French Commercial Code (*Code de commerce*).

AGREEMENT

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and agreements by the parties contained herein, the Parties hereto hereby agree as follows:

1. DEFINITIONS

1.1 Definitions

For purposes of this Agreement, the following capitalized terms shall have the meanings specified in this Section 1.1:

"**2021 Budget**" has the meaning set forth in Section 6.13(a).

"**2022 Budget**" has the meaning set forth in Section 6.13(a).

"**Acceleration Event**" has the meaning set forth in Section 6.13(c).

"**Acquisition**" has the meaning set forth in Section 2.1.

"**Acquisition Proposal**" means any inquiry, proposal or offer from any Person (other than the Purchaser or any of its Affiliates) concerning (i) a share purchase, merger, consolidation, liquidation, recapitalization, reorganization, change in organizational form, spin-off, split-off, share exchange, sale of equity interests or other business combination transaction involving a Group Member or the Sellers; (ii) the issuance or acquisition of shares or other Equity Securities of a Group Member or the Sellers; (iii) the sale, lease, exchange or other disposition of any significant portion of a Group Member's or the Sellers' properties or assets; (iv) any other transaction in respect of a Group Member or the Sellers which results directly or indirectly, in a change of Control of a Group Member or the Sellers or sale of any minority equity interest in a Group Member or the Sellers; or (v) any other transaction or series of transactions which has substantially similar legal or economic effects, in each such case, in which transaction the Purchaser does not participate.

"**Action**" means any claim, demand, suite, litigation, audit, inquiry, investigation, arbitral proceeding or assessment or other similar legal proceeding brought by or pending before any arbitrator, mediator or Governmental Authority.

"**Affiliate**" of a Person means (i) any Person who, directly or indirectly, Controls, is Controlled by or is under common Control with such Person; or (ii) in the case of an individual, the spouse, parent, sibling, child, issue, adopted child, stepchild or other lineal descendants of such Person.

"**Agreed Claims**" has the meaning set forth in Section 9.6.

"**Agreement**" has the meaning set forth in the Preamble.

"**Anti-Bribery Law**" means (i) French Law No. 2016-1691 of 9 December 2016 "Sapin II" as it relates to prevention of corruption practices, and measures that implement that statute, (ii) the US Foreign Corrupt Practices Act of 1977, as amended, and measures that implement that statute; (iii) any legal measure that implements the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions; and (iv) any other legal measure that relates to bribery or corruption.

"**Anti-Corruption Rules**" has the meaning set forth in Section 4.19(a).

"**Approved Indebtedness**" shall mean indebtedness of the Company, taken on following the date hereof but prior to the Closing, which is approved in writing by the Purchaser to be excluded from the calculation of Indebtedness.

"**Balance Sheet Date**" means December 31, 2019.

"**Basket**" has the meaning set forth in Section 9.2(a).

"**Budget**" has the meaning set forth in Section 6.13(a).

"**Business Day**" means any day other than Friday, Saturday, Sunday or a day on which banking institutions located in Israel, France and New York are generally closed for

business.

"**Business Combination**" has the meaning set forth in Section 6.1(a).

"**Calculation Schedule**" has the meaning set forth in Section 2.2(c)(ii).

"**Cash**" means unrestricted cash (including short or long term bank deposits) and Cash Equivalents determined in accordance with French GAAP, and shall include checks, wire transfers and drafts, deposited or available for deposit, but shall not include issued but uncleared checks and drafts, and shall not include any cash from Approved Indebtedness.

"**Cash Consideration**" means the addition of the IDInvest Cash Consideration and of the Individual Sellers Cash Consideration.

"**Cash Equivalents**" means unrestricted investment securities with original maturities (calculated as of the Closing Date) of twelve (12) months or less, including all funds held in money market or similar accounts, including accrued interest thereon as of the Closing.

"**Closing Balance Sheet**" has the meaning set forth in Section 2.6.

"**Claim Certificate**" has the meaning set forth in Section 9.4(a).

"**Closing**" has the meaning set forth in Section 2.4.

"**Closing Certificate**" has the meaning set forth in Section 2.2(c).

"**Closing Date**" has the meaning set forth in Section 2.4.

"**Closing Date Payment**" has the meaning set forth in Section 2.3.

"**Closing Date Payment Amount**" has the meaning set forth in Section 2.2(b).

"**Closing Statement**" has the meaning set forth in Section 2.6.

"**Combined Company**" has the meaning set forth in Section 6.1(a).

"**Combined Company Common Stock**" has the meaning set forth in Section 2.3.

"**Company**" has the meaning set forth in the Recitals. "**Company Cash**" means the aggregate Cash of the Group.

"**Company Intellectual Property**" means all Intellectual Property that is owned, controlled, licensed, used or otherwise held for use by a Group Member, including the Material Owned IP.

"**Company Product**" has the meaning set forth in Section 4.12(c).

"**Confirmed Purchase Price**" has the meaning set forth in Section 2.6.

"**Consideration Allocation Certificate**" has the meaning set forth in Section 2.2(c)(iv).

"**Contract**" means any verbal or written contract, agreement, understanding, arrangement, obligation, promise, commitment, undertaking or other similar instrument that creates any rights and/or obligations.

"**Contractor**" means service providers and independent contractors who provide or have provided services to a Group Member and dedicate a majority of their work week in the provision of such services.

"**Control**" means the ability to direct, or cause the direction of, the management and policies of the relevant Person, whether through the ownership of voting securities, by contract or otherwise, including through the beneficial ownership of more than fifty percent (50%) of the ownership interests in such Person, including the issued and outstanding share capital, voting rights or other ownership interests or the right to appoint the majority of the directors (or the equivalent thereof) in such Person.

"**Copyrights**" has the meaning set forth in the definition of Intellectual Property.

"**Data Privacy Laws**" means all Laws relating to the privacy, confidentiality, data protection, nondisclosure and the collection and use of Personal Information, including the European Union Data Protection Directive (95/46/EC), as updated from time to time, the European Union General Data Protection Regulation (EU) 2016/679, as updated from time to time, French Law No. 78-17 of 6 January 1978, as amended, and any similar Laws applicable to any Group Member.

"**Debt/NWC Adjustment Amount**" means (in each case with respect to each of the estimate and the final) the amount by which (if any) the sum of Indebtedness minus the Net Working Capital is less than €18,250,000 (e.g.: if the sum equals €18,000,000, the Debt/NWC Adjustment Amount shall equal €250,000). For the avoidance of doubt if such amount is equal or more than €18,250,000, the Debt/NWC Adjustment Amount shall equal zero (0).

"**Disclosure Schedule**" means the Schedule delivered by the Company and the Sellers to the Purchaser attached as **Schedule 4** (the Disclosure Schedule shall be arranged in sections and paragraphs corresponding to the numbered and lettered sections and paragraphs contained in Article 4; provided however, that a disclosed exception in any section, subsection or clause of the Disclosure Schedule shall constitute a disclosure for purposes of other sections, subsections or clauses of the Disclosure Schedule notwithstanding the lack of specific cross-reference, but only to the extent that it is reasonably apparent upon reading such disclosure, without independent knowledge on the part of the reader regarding the matter disclosed, that the disclosure is responsive to such other section, subsection or clause of Article 4).

"**Dispute**" has the meaning set forth in Section 2.6.

"**Earn-out Amounts**" has the meaning set forth in Section 2.8.

"**Earn-out Payments**" has the meaning set forth in Section 2.8.

"**Economic Competition Law**" means the Israeli Economic Competition Law, 5748-1988 (formerly known as the Restrictive Trade Practices Law).

"**Environmental Laws**" means any applicable Law or written and binding policy, relating to environmental matters, the protection of the environment, the protection of wildlife and natural resources (including surface or ground water, drinking water supply, soil, surface or subsurface strata or medium, or ambient air or pollution control), the protection of human health or safety, packaging and labeling laws, including any Laws relating to: (i) the manufacture, presence, use, transportation, treatment, storage or disposal of Hazardous Materials or documentation related to the foregoing; (ii) exposure, Release or threatened Release or accidental Release into the environment, the workplace or other areas of Hazardous

Materials, including emissions, discharges, injections, spills, escapes or dumping of Hazardous Materials; and (iii) pollution or protection of the health and safety of employees and other Persons.

"**Equity Security(ies)**" means (i) any shares, interests, participations or other equivalents of share capital of a company; (ii) any ownership interests in a Person other than a company, including membership interests, partnership interests, joint venture interests and beneficial interests; and (iii) any warrants, options, convertible or exchangeable securities and convertible debt, capital notes or other rights to acquire any of the foregoing.

"**Escrow Account**" has the meaning set forth in Section 2.7(a).

"**Escrow Amount**" means an amount equal to twenty percent (20%) of the Closing Date Payment Amount.

"**Escrow Agent**" means the *Séquestre juridique du Barreau de Paris.* "**Escrow Agreement**" has the meaning set forth in Section 2.7(a).
"**Estimated Closing Balance Sheet**" has the meaning set forth in Section 2.2(c).

"**Estimated Indebtedness**" has the meaning set forth in Section 2.2(c)(i).

"**Estimated Net Working Capital**" has the meaning set forth in Section 2.2(c).

"**Estimated Transaction Expenses**" has the meaning set forth in Section 2.2(c)(iii).

"**Exchange Shares**" has the meaning set forth in Section 6.1(a).

"**Export Controls**" means all export and re-export control legal measures administered, enacted, or enforced by (i) the European Union; or (ii) a Governmental Authority or applicable export Laws in any other jurisdiction in which any Group Member operates.

"**Existing Liens**" means the Liens described in **Schedule 1.1A**.

"**Fair Grounds**" means the dismissal of office (*révocation*) of Mr. Putman from his mandate (*mandat social*) in the Company for serious or gross negligence as defined by French labor law and Social Chamber of French Supreme Court case law (*faute grave ou lourde ou motif assimilé au sens du droit du travail français et de la jurisprudence de la chambre sociale de la Cour de cassation*).

"**Financial Statements**" has the meaning set forth in Section 4.7(a).

"**First Escrow Release Date**" has the meaning set forth in Section 2.7(b)(i).

"**Foreign Investment Authority**" means the French Ministry of Economy and Finance or any other competent French Governmental Authority for the purposes of authorizing the Acquisition pursuant to articles L. 151-3, R. 151-1 *et seq.* of the French Monetary and Financial Code.

"**Foreign Investment Clearance**" means (i) a decision from the Foreign Investment Authority which, pursuant to articles L. 151-3, R. 151-1 *et seq.* of the French Monetary and Financial Code, authorizes in accordance with the relevant applicable Laws and regulations or does not prevent the acquisition of the Company by the Purchaser or (ii) a written confirmation from the Foreign Investment Authority that the Acquisition does not fall within the scope of articles L. 151-3, R. 151-1 *et seq.* of the French Monetary and Financial Code.

"**Fully Diluted Basis**" means with respect to any Person, all issued and outstanding shares of any class of such Person, all issued and outstanding Equity Securities convertible or exercisable into or exchangeable for shares or share capital of such Person (whether vested or unvested, contingent or otherwise), all capital notes, all securities reserved for issuance under any share purchase or share option plan adopted by such Person and all outstanding contractual obligations of such Person or with respect to such Person to issue any of the above, in each case assuming the exercise or conversion thereof, as applicable.

"**GAAP**" means generally accepted accounting principles and accounting requirements under applicable Law as set forth herein (French or US as the case may be).

"**Governmental Authority**" means the government of any jurisdiction, or any political subdivision thereof, whether international, French, Israeli, United States, European, provincial, state or local, and any department, ministry, agency, authority, body, court, central bank or other entity lawfully exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"**Governmental Grant**" means any grant, incentive, subsidy, award, loan, participation, exemption, status, cost sharing arrangement, reimbursement arrangement or other benefit, relief or privilege provided or made available by or on behalf of or under the authority of any bi- or multi- national grant program, framework or foundation for research and development, the European Union or any other Governmental Authority.

"**Group**" means the Company and each of its respective Subsidiaries, and a "**Group Member**" means each of the foregoing.

"**Hazardous Material**" means any and all substances, materials, or wastes that is subject to regulation under any Environmental Laws or has been defined, designated, regulated or listed by any Governmental Authority as "hazardous," "toxic," a "pollutant," a "contaminant," words of similar import under any Environmental Law or as otherwise dangerous to health or the environment, and any material mixture or solution that contains Hazardous Materials.

"**IDInvest Cash Consideration**" has the meaning set forth in Section 2.3(a)(ii).

"**Indebtedness**" means, the outstanding principal amount of, accrued and unpaid interest on, and other payment obligations (including any prepayment penalties, premiums, costs, breakage, termination fees or other amounts payable upon the discharge thereof) arising under, any obligations of any of the Group Members with original maturities (calculated as of the Closing Date) of twelve (12) months or more consisting of: (a) all indebtedness of the Group Members, whether or not contingent, for borrowed money or indebtedness issued or incurred in substitution or exchange for indebtedness for borrowed money, but excluding: (1) the loan granted by BPI to pre-finance the R&D tax credit which the Company expects to receive in calendar years 2022-2023 for calendar years 2019-2020 and which is set forth in the Closing Certificate calculation of Indebtedness (the "**R&D Tax Credit Pre- Financing**"), and (2) Approved Indebtedness; (b) all obligations of any Group Member as lessee under leases that are required, in accordance with French GAAP, to be recorded as capital leases; (c) all obligations of any Group Member evidenced by notes, bonds, debentures or other similar instruments; (d) all obligations with respect to interest rate swaps, collars, caps, hedging and other derivative and similar arrangements (valued at the termination date thereof), including all obligations or unrealized Losses of the Group Members pursuant to hedging or foreign exchange arrangements; (e) Liabilities and contingent Liabilities of any Group Member for deferred and unpaid purchase price of assets, raw materials, property or services, including any "earn-out" payments (but excluding any accrued Liabilities and trade payables arising in the ordinary course of business consistent with past practices) and other Liabilities to third parties, such as litigation and/or settlement payments; (f) obligations of a Group Member under any performance bond, letter of credit or bankers' acceptances; (g) accrued but unpaid bonuses or similar payments, in each case payable to current or former employees, directors or consultants of a Group Member and all Tax Liabilities related thereto; (h) all accrued but unpaid income Tax Liabilities, excluding deferred income Tax Liabilities, of the a Group Member; and (i) guarantees of any indebtedness of a third party of the type described in the foregoing clauses (a) through (i).

"**Indemnitee**" has the meaning set forth in Section 9.4(a).

"**Indemnitor**" has the meaning set forth in Section 9.4(a).

"**Individual Sellers Stock Consideration**" has the meaning set forth in Section 2.3(a)(iii).

"**Insurance Policies**" has the meaning set forth in Section 4.23(a).

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"**Intellectual Property**" means any of the following in any jurisdiction throughout the world (whether or not registered): (i) utility models, patents (including all applications, reissues, registrations, divisionals, provisionals, continuations and continuations-in-part, re-examinations, renewals, substitutions and extensions thereof) (collectively, "**Patents**") and inventions (whether patentable or not); (ii) trademarks, trade names, logos, service marks, trade dress, corporate names and registrations and applications for registration thereof, together with the goodwill connected with the use of and symbolized by the foregoing (collectively, "**Trademarks**"); (iii) copyrights, designs and copyrightable subject matter, and registrations and applications for registration thereof (collectively, "**Copyrights**") and works of authorship (whether copyrightable or not); (iv) internet domain names, websites and related registrations; (v) trade secrets, confidential information and other proprietary rights (whether patentable or unpatentable and whether or not reduced to practice), know-how, manufacturing and production processes and techniques, research and development information, drawings, specifications, designs, plans, proposals, technical data (collectively, "**Trade Secrets**"); (vi) computer software (whether in source code, object code or other form), modules, libraries, code, or other components, and documentation, including user manuals and training materials, related to the forgoing; (vii) any Moral Rights and rights of attribution; (ix) any other intellectual property rights or industrial property rights not otherwise set forth in (i) through (vii) above, whether registered or unregistered, as recognized by law in the applicable jurisdiction; and (x) all improvements, modifications, and derivative works of any of the foregoing.

"**IP Licenses**" means (i) all licenses, sublicenses, and other agreements under which any Group Member grants or receives any rights that involve the Company Intellectual Property; and (ii) the IT Contracts.

"**IT Contract**" means any contract under which (i) a Group Member grants or receives any rights that involve an IT System; or (ii) an IT System is licensed, leased, supplied, maintained or supported.

"**IT Systems**" means the information and communications technologies, accounts and assets owned, controlled, used or held for use by a Group Member, including hardware, software, networks, electronic devices, databases, data collections, firmware, middleware, servers, source code, object code, development tools, workstations, routers, hubs, switches, data communications lines, websites, and all other information technology equipment and outsourced information technology arrangements and resources, including cloud computing and software-as-a-service offerings.

"**Key Employee**" means: (i) all Key Personnel; (ii) office holders of any Group Member or other senior or executive members of the management of any Group Member; or (iii) any other employee or Contractor with a yearly gross compensation with a value in excess of €70,000.

"**Key Personnel**" means the individuals listed in **Schedule 1.1B**.

"**Knowledge**" An individual shall be deemed to have "Knowledge" of a particular fact or other matter if such individual is actually aware of such fact or other matter or the awareness such individual would reasonably be expected to have obtained in the course of the performance of the duties and responsibilities of such individual on behalf of the Sellers or the Company. With respect to the Sellers or the Company, the Knowledge of the Sellers or the Company or any other similar qualification or phrase or qualification based on Knowledge shall mean the Knowledge of (i) any of the Key Personnel; and (ii) the Individual Sellers.

"**Law**" means any federal, state, local, municipal, supranational, European Union, Israel, France, United States, or other law (including common law principles), statute, regulation, regulatory guidance, directive, constitution, treaty, convention, ordinance, code, rule, resolution, collective agreement, extension order, Permit, binding administrative guideline or decision, stipulation, request, consent, ruling privilege, or Order, enacted, adopted, promulgated or applied by a Governmental Authority.

"**Liability**" means, with respect to the Group, any direct liability or obligation of any nature whatsoever, including, without limitation, debts, commissions, duties, fees, salaries, performance or delivery penalties, warranty liabilities and other liabilities and obligations (whether pecuniary or not, including obligations to perform or forebear from performing acts or services), costs, expenses (including reasonable costs or expenses of investigation, enforcement, collection and reasonable attorney's and accountant's fees), fines or penalties of any Group Member whether known or unknown, asserted or unasserted, determined or determinable, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, incurred or consequential, due or to become due and whether or not required, in each case, under French GAAP, to be accrued on the financial statements of such Person.

"**Lien**" means any charge, claim, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, easement, encroachment, right of way, right of first refusal, restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership, licenses to third parties, leases to third parties, security agreements, or any other encumbrances and other restrictions or limitations on ownership or use of real or personal property or irregularities of title thereto.

"**Long-Stop Date**" has the meaning set forth in Section 8.1(a)(i).

"**Losses**" means any and all losses, Liabilities, damages, obligations, expenses, penalties or fines, including tax penalties or late payment interest, fees, costs or amounts (including reasonable costs or expenses of investigation, remediation, enforcement, collection and reasonable attorney's and accountant's fees) actually incurred or suffered (whether involving a third party or not). For the avoidance of doubt, any "Losses" of a Group Member, shall be considered direct "Losses" to the Purchaser.

"**Majority Sellers**" has the meaning set forth in Section 10.6.

"**Material Adverse Effect**" means an event, circumstance, development, state of facts, occurrence, change or effect that has, or would reasonably be expected to have, either individually or in the aggregate, a material adverse effect on (a) the business, assets, Liabilities, properties, condition (financial or otherwise), operating results or operations of the Group, taken as a whole, or (b) the ability of any Group Member to perform its obligations under this Agreement or any agreement entered into in connection herewith or to consummate on a timely basis each of the transactions contemplated hereunder, in each case, in all material respects, but excluding any such fact, circumstance, development, event or change to the extent resulting or arising from (i) any change in applicable Law or interpretation thereof; (ii) any change in general economic conditions in the industries or markets in which any Group Member operates or affecting economies in general; or (iii) any change resulting from a global epidemic (except due to Covid-19), acts of war (whether or not declared), sabotage or terrorism, military actions or the escalation thereof, occurring after the date hereof, except, in each case, to the extent that any such change has or could reasonably be expected to have a materially disproportionate adverse effect on the Group, taken as a whole, as compared to other Persons operating in the same industry in which the Group operate.

"**Material Contract**" has the meaning set forth in Section 4.13.

"**Material Owned IP**" means any and all Intellectual Property that is owned or purported to be owned (whether owned or purported to be owned singularly or jointly with a third party or parties), or filed by, assigned to or held in the name of, or exclusively licensed to any Group Member.

"**Moral Rights**" means moral or equivalent rights, including the right to the integrity of a work, the right to be associated with a work as its author by name or under a pseudonym and the right to remain anonymous.

"**Negative Adjustment Amount**" has the meaning set forth in Section 2.6.

"**Net Working Capital**" means the current assets of the Company minus the current Liabilities of the Company, on a consolidated basis and calculated in accordance with French GAAP, including Cash and Cash Equivalents, but not including Indebtedness or Transaction Expenses. The foregoing shall be determined with accounting policies and principles consistent with those used in the preparation of the audited Financial Statements and, to the extent not inconsistent with the foregoing, in accordance with French GAAP. Attached hereto as **Schedule 1.1C** is the line items for calculating the Net Working Capital.

"**Net Working Capital Adjustment Amount**" means (in each case with respect to each of the estimate and the final) the amount by which (if any) the Target Net Working Capital exceeds the Net Working Capital, provided that if: (i) such amount is less €255,300, or (ii) if the Target Net Working Capital does not exceeds the Net Working Capital, in each case, the Net Working Capital Adjustment Amount shall equal zero (0). For the avoidance of doubt, if the Net Working Capital Adjustment Amount is in excess of the amount in (i) above, it shall be calculated from the first (1st) Euro whereby the Target Net Working Capital exceeds the Net Working Capital. For clarification purposes, an example of the calculation of the Net Working Capital Adjustment Amount is attached in **Schedule 1.1D**.

"**Non-Solicit Period**" has the meaning set forth in Section 6.12(a).

"**Objections Statement**" has the meaning set forth in Section 2.6.

"**Occurrence**" means any accident, happening or event which occurs or has occurred at any time on or prior to the Closing Date that is caused by any hazard or defect in manufacture, design, materials or workmanship including any failure to warn or any breach of express or implied warranties or representations with respect to a product manufactured, shipped, sold or delivered by or on behalf of a Group Member which results in injury or death to any Person or damage to or destruction of property (including damage to or destruction of the product itself).

"**Official**" means any official, employee or representative of, or any other person acting in an official capacity for or on behalf of, any (i) Governmental Authority, including any entity owned or Controlled thereby; (ii) political party, party official or political candidate; or (iii) public international organization.

"**Open Source Software**" means any software that is licensed, distributed or conveyed as "open source software," "free software," "copyleft" or under a similar licensing or distribution model, or under a Contract that requires as a condition of its use, modification or distribution that it, or other software into which such software is incorporated, integrated or with which such software is combined or distributed or that is derived from or linked to such software, be disclosed or distributed in source code form, delivered at no charge or be licensed, distributed or conveyed under the same terms as such Contract (including Software licensed under the GNU General Public License (GPL), GNU Lesser General Public License (LGPL), Mozilla Public License (MPL), BSD licenses, Microsoft Shared Source License, Common Public License, Artistic License, Netscape Public License, Sun Community Source License (SCSL), Sun Industry Standards License (SISL), Apache License and any license listed at www.opensource.org).

"**Order**" means any order, judgment, ruling, injunction, assessment, award, decree, consent decree writ, temporary restraining order, or any other order of any nature enacted, issued, promulgated, enforced or entered by any Governmental Authority.

"**Organizational Documents**" means: (i) in the case of a person that is a corporation or a company, its articles or certificate of incorporation and its bylaws, memorandum of association, articles of association, regulations or similar governing instruments required by the Laws of its jurisdiction of formation or organization; (ii) in the case of a person that is a partnership, its articles or certificate of partnership, formation or association, and its partnership agreement (in each case, limited, limited liability, general or otherwise); (iii) in the case of a person that is a limited liability company, its articles or certificate of formation or organization, and its limited liability company agreement or operating agreement; and (iv) in the case of a person that is none of a corporation, partnership (limited, limited liability, general or otherwise), limited liability company or natural person, its governing instruments as required or contemplated by the Laws of its jurisdiction of organization.

"**Party(ies)**" has the meaning set forth in the Preamble.

"**Patents**" has the meaning set forth in the definition of Intellectual Property. "**Permits**" has the meaning set forth in Section 4.6.

"**Person**" means an individual, firm, corporation, partnership, association, limited liability company, trust or any other entity.

"**Personal Information**" means any data or information in any media that is linked to the identity of a particular individual, browser, or device and any other data or information that constitutes personal data or personal information under any applicable Law or Sellers' or business Subsidiaries' privacy policies, and includes an individual's combined first and last name, home address, telephone number, fax number, email address, Social Security number or other Government Authority-issued identifier (including state identification number, driver's license number, or passport number), precise geolocation information of an individual or device, biometric data, medical or health information, credit card or other financial information (including bank account information), cookie identifiers associated with registration information, or any other browser- or device-specific number or identifier not controllable by the end user, and web or mobile browsing or usage information that is linked to the foregoing.

"**PIPE PPS**" has the meaning set forth in Section 6.1(b).

"**Post-Closing Adjustment**" has the meaning set forth in Section 2.6.

"**Positive Adjustment Amount**" has the meaning set forth in Section 2.6.

"**Pre-Closing Period**" means the period commencing on the date of the execution of this Agreement, and ending on the earlier of: (i) the Closing Date; or (ii) the termination of this Agreement in accordance with Article 8.

"**Private Placement**" has the meaning set forth in Section 6.1(b).

"**Proceeding**" means any action, claim, demand, suit, litigation, audit, hearing, inquiry, investigation, examination, arbitration, assessment or other similar legal proceeding (including any civil, criminal or appellate proceeding) brought, conducted or hear by or pending before, or otherwise involving, any Governmental Authority or any mediator, arbitrator or arbitration panel.

"**Processed**" or "**Processing**" means the receipt, access, acquisition, collection, compilation, use, storage, processing, safeguarding, security, disposal, destruction, disclosure, or transfer of Personal Information.

"**Purchase Price**" has the meaning set forth in Section 2.2(a).

"**Purchased Shares**" has the meaning set forth in the Recitals.

"**Purchaser**" has the meaning set forth in the Preamble.

"**Purchaser Indemnified Party**" means the Purchaser and its Affiliates (including, following the Closing, the Group Members) and its and their Subsidiaries, direct and indirect parent companies, directors, officers, employees, partners, members, managers and shareholders, and its and their successors and permitted assigns, but shall exclude, for the avoidance of doubt, the Sellers, and their Affiliates (which shall, following the Closing, exclude the Group Members), in every capacity such person or entity may serve.

"**Real Property Assets**" has the meaning set forth in Section 4.10(c).

"**Real Property Leases**" has the meaning set forth in Section 4.10(c).

"**Recall**" means a product recall, rework or post sale warning or similar action. "**Referee**" has the meaning set forth in Section 2.6.

"**Refinanced Existing Indebtedness**" means the existing Indebtedness listed in **Schedule 1.1E** that shall be refinanced on the Closing Date.

"**Release**" means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration into the environment or out of any property, including the movement of any materials through or in the air, soil, surface water, ground water or property.

"**Relevant Portion**" means (a) with respect to the Closing Date Payment Amount and Net Closing Date Payment Amount, as to any Seller, the portions stated in Section 2.3(a)(ii), (b) with respect to the Closing Date Payment Amount, Net Closing Date Payment Amount and Escrow Amount, as to the Individual Sellers, the percentages set forth in **Annex I** hereto, and (c) with respect to the Earn-out Amounts, as to the Individual Sellers, the percentages set forth in **Annex II** hereto.

"**Relevant Purchased Shares**" means, as to any Seller, the number of shares of the Company set forth opposite such Seller's name in **Annex I** hereto.

"**Remedial Action**" means all actions to (a) abate, contain, ameliorate, clean up, remove, treat, remediate or in any other way address any Hazardous Materials; (b) prevent the Release of Hazardous Materials so that they do not migrate or endanger or threaten to endanger human health or welfare or the indoor or outdoor environment; or (c) perform studies, investigations, and pre- or post-remedial monitoring and care; and (d) otherwise correct a condition of noncompliance with Environmental Laws.

"**Resigning Directors**" has the meaning set forth in Section 7.2(e)(xi).

"**Restricted Party**" means a Person that is: (i) listed on, or owned (meaning fifty percent (50%) or greater ownership interest) or otherwise, directly or indirectly, Controlled by a Person listed on, or acting on behalf of a Person listed on, any Sanctions List; or (ii) a citizen of, located in, or incorporated under the laws of a Sanctioned Jurisdiction; or (iii) owned (meaning fifty percent (50%) or greater ownership interest) or otherwise, directly or indirectly, Controlled by, or acting on behalf of, a Person who falls within clause (ii) of this definition.

"**Revenue Certificate**" has the meaning set forth in Section 2.8.

"**Sanctioned Jurisdiction**" means a country or territory that is the target of country-wide or territory-wide Sanctions.

"**Sanctions**" means the economic sanctions laws, regulations, embargoes or restrictive measures administered, enacted, or enforced by: (i) the United Nations' Security Council; (ii) the U.S. Department of the Treasury or the U.S. Department of State; (iii) the European Union; (iv) France; (v) the State of Israel or (vi) any other Governmental Authority that pertains to any of the Group Members and its business.

"**Sanctions List**" means (i) the List of Specially Designated Nationals and Blocked Persons and the Consolidated Sanctions List maintained by the U.S. Department of the Treasury's Office of Foreign Assets Control; (ii) the Denied Persons List, Entity List and Unverified List maintained by the U.S. Department of Commerce's Bureau of Industry and Security; (iii) the Debarred List maintained by the U.S. Department of State; (iv) the United Nations' Security Council sanction lists; (v) the European Union consolidated list of sanctioned persons; (vi) any Persons or entities listed as "Enemy Countries" pursuant to the Israeli Trade with the Enemy Ordinance, 1939; or (vii) any similar list maintained by, or public announcement of sanctions designation made by, any Governmental Authority in a jurisdiction in which a Group Member operates.

"**SEC**" means the Securities and Exchange Commission of the United States. "**Second Escrow Release Date**" has the meaning set forth in Section 2.7(b).

"**Security Breach**" means any actual (i) loss or misuse (by any means) of Personal Information;

(ii) unauthorized or unlawful Processing, sale, or rental of Personal Information; or (iii) other act or omission that compromises the security or confidentiality of Personal Information.

"**Sellers**" has the meaning set forth in the Preamble.

"**Sellers' Fundamental Representations**" means the representations and warranties set forth in Sections 3.1 (*Organization, Good Standing and Power*), 3.2 (*Authority; Execution and Delivery; Enforceability*), 3.3 (*No Conflicts; Consents*), 3.5 (*The Purchased Shares*), 3.8 (*Brokers or Finders*), 4.1 (*Organization, Good Standing and Qualification*), 4.2 (*Subsidiaries*), 4.3 (*Capitalization*), 4.4 (*Authorization; Execution and Delivery; Enforceability*), 4.19 (*Compliance with Anti-Bribery Law*) and 4.25 (*Brokers or Finders*).

"**Straddle Period**" has the meaning set forth in Section 6.9(a).

"**Subsidiary(ies)**" means any entity Controlled, directly or indirectly, by another Person.

"**Tangible Property**" has the meaning set forth in Section 4.10(b).

"**Target Indebtedness**" means €23,564,174.00. "**Target Net Working Capital**" means €1,702,000.

"**Tax**" or "**Taxes**" means (i) any direct or indirect taxes of whatever nature, levies, fees, duties, contributions or charges, including without limitation corporate income tax, withholding tax, local and regional taxes, value added tax, sales taxes, goods and services taxes, "*taxe sur les salaires*" (wages tax), registration duties, transfer duty, stamp duties, real estate taxes, customs duty and other taxes (including parafiscal taxes), contribution or other duty or fine that the relevant Person may owe to any competent Governmental Authority, (ii) any social security contribution or levy, employment and payroll taxes (including *Prélévement à la Source* (Pay As Your Earn)) imposed, levied, withhold or assessed by any Governmental Authority, including any charge relating to social security and to all the charges or other obligations relating to employment and notably any charge relating to protection against unemployment, sickness, incapacity, death, retirement, social security or other obligations with respect to the workplace and mandatory or optional profit-sharing schemes (*participation* or *intéressement*) for employees, (iii) in each case including any late-payment interest, surcharge and penalty, fine and additional tax relating thereto, and (iv) all amounts payable with respect to any taxes pursuant to an agreement or arrangement or any other legal obligation, including payment as a secondary liability besides or for the account of any other Person, including interest, penalties and other related charges in addition thereto.

"**Tax Proceedings**" has the meaning set forth in Section 9.4(d).

"**Tax Return**" means any return, declaration, report, payment form, claim for Tax credit or refund, or information or statement or form relating to Taxes or any specific mention or formality in a commercial document (such as invoice or register) required by applicable Law.

"**Third Party Claim**" has the meaning set forth in Section 9.4(c).

"**Trade Secrets**" has the meaning set forth in the definition of Intellectual Property.

"**Trademarks**" has the meaning set forth in the definition of Intellectual Property.

"**Transaction Expenses**" means, without duplication, and provided such is not included in Indebtedness, with respect to the Group, an amount equal to the aggregate amount of all out-of-pocket fees, costs and expenses to be paid or otherwise payable or agreed by after the Closing Date by, any Group Member for the benefit of the Sellers, arising from, incurred in connection with, or incident to or contingent upon the consummation of, the transactions contemplated hereby, (to the extent to be paid after the Closing Date) including (i) all brokers' or finders' fees; (ii) all fees and expenses of legal, accounting and financial advisors; (iii) all fees and expenses associated with obtaining necessary or appropriate Consents of any Governmental Authority or third parties and the Permits on behalf of any Group Member; (iv) from any previously contemplated but unconsummated sale transaction that are unpaid as of the Closing Date; (v) all transaction-related bonuses (including any stay, retention, sale, change of Control or similar compensation, but, for the avoidance of doubt, not regular performance bonuses paid in the ordinary course of business consistent with past practices) paid to or payable to any current or former director, officer or employee of a Group Member as a result of, or in connection with the consummation of the transactions contemplated hereby; (v) the employer portion of any employment Taxes incurred in connection with the payments described in clause (v); (vi) one half of the Escrow Agent's fees; and (vii) all costs and expenses of any Group Member); *provided*, that if any amounts to be included in the calculation of Transaction Expenses which are in a currency other than Euros, such amounts shall be deemed converted to Euros at the prevailing official rate of exchange published by the Federal Reserve Bank of New York for the conversion of such currency or currency unit into Euros on the last Business Day immediately preceding the delivery of the Closing Statement.

"**Triggering Event**" has the meaning set forth in Section 9.1(a).

"**VAT**" means:

(a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and

(b) any other tax of a similar nature, whether imposed in a member state of the European Union or other applicable Governmental Authority in substitution for, or levied in addition to, such tax referred to in Paragraph (a) above, or imposed elsewhere.

1.2 Rules of Construction.

Unless the context otherwise requires, interpretation of this Agreement shall be governed by the following rules of construction:

(a) the definitions of terms herein shall apply equally to the singular and plural forms of the terms defined;

(b) whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms;

(c) the words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation";

(d) the word "will" shall be construed to have the same meaning and effect as the word "shall";

(e) any definition of or reference to any agreement, contract, document, instrument or other record herein shall be construed as referring to such agreement, contract, document, instrument or other record as from time to time amended, supplemented, restated or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein);

(f) any reference herein to any Person shall be construed to include such Person's or such entity's successors and permitted assigns;

(g) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof;

(h) all references herein to Sections, Articles, Exhibits, Annexes and Schedules shall be construed to refer to Articles and Sections of, and Exhibits, Annexes and Schedules to, this Agreement and any reference herein to "this Agreement" shall be construed to refer to this Agreement and all such Sections, Articles, Exhibits, Annexes and Schedules;

(i) the headings and captions used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement;

(j) the terms "Dollars", "US$", "USD", "US dollars" or "$" mean United States Dollars. The terms "Euro", "EUR" or "€" means the single currency of the member states of the European Union that have adopted the Euro as their lawful currency under the legislation of the European Communities for the European Monetary Union;

(k) any amounts to be included in any calculations or payments to be made which are in a currency other than Euros, such amounts shall be deemed converted to Euros at the prevailing official rate of exchange published by the Federal Reserve Bank of New York for the conversion of such currency or currency unit into Euros on the last Business Day immediately preceding the relevant payment date;

(l) if any period referred to herein expires on a day that is not a Business Day, or any event or condition is required by the terms of this Agreement to occur or be fulfilled (including the making of any payment required hereunder) on a day that is not a Business Day, such period shall expire on or such event or condition shall not be required to occur or be fulfilled until, as the case may be, the next succeeding Business Day; and

(m) the parties hereto agree that they have been represented by counsel during the negotiation and execution of this Agreement and have participated jointly in the drafting of this Agreement and, therefore, waive the application of any law, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

2. PURCHASE AND SALE

2.1 Purchase and Sale of the Purchased Shares

Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, each Seller shall sell, transfer, convey, assign and deliver, or cause to be delivered, to the Purchaser, free and clear from all Liens, and the Purchaser shall purchase and acquire from each such Seller, all of such Seller's Relevant Purchased Shares, in consideration for such Seller's Relevant Portion of the Purchase Price, payable to such Seller, in accordance with the terms hereof. It being clarified that the Purchaser shall not be obligated to complete the transactions contemplated herein unless all of (and not only part of) the Purchased Shares are sold and transferred to it when they are free and clear from all Liens. The purchase and sale of all of the Purchased Shares pursuant to this Agreement is referred to herein as the "**Acquisition**".

2.2 Calculation of the Purchase Price

(a) Subject to Section 9, the purchase price for all of the Purchased Shares (the "**Purchase Price**") shall be an amount equal to the sum of:

(i) the Closing Date Payment Amount; and

(ii) the Earn-out Payments.

(b) The consideration (as may be adjusted solely in accordance with this Agreement) payable by the Purchaser pursuant to this Agreement at the Closing (the "**Closing Date Payment Amount**") shall be equal to the sum of the following:

(i) €26,000,000;

(ii) less, the amount, if any, by which the Estimated Indebtedness is greater than Target Indebtedness;

(iii) less, the Estimated Transaction Expenses;

(iv) less, the Net Working Capital Adjustment Amount;

(v) plus, the Debt/NWC Adjustment Amount; and

(vi) less, the Earn-out Amounts.

(c) Pre-Closing Statements. The Sellers and the Company shall prepare in accordance with French GAAP and with the Calculation Schedule (in accordance with the principles set out in Section 2.2(c)(ii) below) and deliver to the Purchaser at least four (4) Business Days prior to the Closing Date, the consolidated balance sheet of the Company, estimated as of the Closing Date (the "**Estimated Closing Balance Sheet**") and a certificate (substantially in the form attached hereto as **Exhibit A**), executed by the Chairman (*Président*) of the Company, detailing the Company's good faith estimate (the "**Closing Certificate**") of the following:

(i) all estimated Indebtedness of the Group as at the Closing Date, in accordance with the Estimated Closing Balance Sheet (the "**Estimated Indebtedness**");

(ii) the estimated Net Working Capital of the Group as at the Closing Date, in accordance with the Estimated Closing Balance Sheet (the "**Estimated Net Working Capital**"), which shall be provided in a manner consistent with the example and the principles set forth in **Schedule 2.2(c)(ii)** attached hereto (the "**Calculation Schedule**") in which numbers are for illustration purposes only; it being specified that the Estimated Net Working Capital shall be calculated at its value at the end of the month prior to the Closing Date;

(iii) the estimated amount of Transaction Expenses, as shall be detailed and evidenced in an exhibit to be attached to the Closing Certificate (the "**Estimated Transaction Expenses**") including those expenses set out in **Schedule 2.2(c)(iii)**; and

(iv) the "**Consideration Allocation Certificate**", executed by the Sellers, setting out, among other things, in accordance with the terms hereof: (1) the estimated aggregate amount of the Closing Date Payment Amount calculated based on the above estimates; (2) the estimated aggregate amount of the Individual Sellers Stock Consideration; (3) the allocation of the Cash Consideration and the Individual Sellers Stock Consideration among the Sellers denominated in Euros (to be amended upon Closing pursuant to Section 1.2(k)); and (4) payment instructions (including wire instruction details) to each of the Sellers.

Following receipt of the Closing Certificate, the Sellers and the Company shall provide the Purchaser and its representatives with such access as may be reasonably required, upon reasonable notice, to those accounting books and records, working papers and access to Company's representatives required for auditing or involved in preparing the Closing Certificate. Prior to Closing, the Company, the Sellers and the Purchaser shall act reasonably in resolving in good faith any disagreements concerning the computation of any of the items included in the Closing Certificate or contained in the Estimated Closing Balance Sheet, provided that if any item cannot be agreed by the Closing Date then this would not delay the Closing by more than three (3) Business Days and the Parties shall transact at the Closing with respect to any disagreed item, based on the Company's good faith estimation of such disagreed item (it being clarified that the foregoing shall not derogate from the post-Closing adjustment contemplated pursuant to Section 2.6 below).

2.3 Closing Date Payment

(a) At the Closing Date, the Purchaser shall:

(i) transfer to the Escrow Agent the Escrow Amount (for the purposes of this Section, the Closing Date Payment Amount less the Escrow Amount being referred to as the "**Net Closing Date Payment Amount**");

(ii) pay (or cause the payment of, on its behalf), subject to Section 2.9, to the Sellers (either directly or through a paying agent) in accordance with the Consideration Allocation Certificate (as adjusted pursuant to any agreement between the Seller and the Purchaser) by wire transfer of immediately available funds an amount equal to fifty percent (50%) of the Net Closing Date Payment Amount (the "**Cash Consideration**"), in the following proportions:

- to IDInvest: nineteen point four percent (19.04%) of the Closing Date Payment Amount (the "**IDInvest Cash Consideration**");
- to the Individual Sellers: an amount equal to the sum of the Cash Consideration less the IDInvest Cash Consideration (the "**Individual Sellers Cash Consideration**"); and

(iii) deliver (or cause the payment of, on its behalf) to the Individual Sellers in accordance with the Consideration Allocation Certificate such number of validly issued, fully paid and nonassessable shares of common stock of the Combined Company (the "**Combined Company Common Stock**"), in each case without interest and subject to applicable Tax withholding, equal to: (A) fifty percent (50%) of the Net Closing Date Payment Amount; divided by (B) the PIPE PPS (the "**Individual Sellers Stock Consideration**").

(b) The allocation of the Purchase Price is made under the sole and exclusive responsibility of the Sellers and the Purchaser shall incur no liability whatsoever in respect thereto.

(c) No fractional shares of the Combined Company Common Stock shall be issued upon the surrender for exchange of Certificates, and such fractional share interests will not entitle the owner thereof to vote or to any other rights of a stockholder of the Combined Company. Each holder of a fractional share interest shall be paid an amount in cash (without interest and subject to the amount of any withholding taxes pursuant to Section 2.9, equal to the product obtained by multiplying (i) such fractional share interest to which such holder (after taking into account all fractional share interests then held by such holder) would otherwise be entitled by (ii) the PIPE PPS.

2.4 Closing

The closing of the purchase and sale of the Purchased Shares and the consummation of the transactions contemplated by this Agreement (the "**Closing**") shall take place at the offices of Gornitzky & Co., Advocates and Notaries, located at 45 Rothschild Blvd., Tel-Aviv, Israel, on the third (3rd) Business Day after the date that all of the conditions to the Closing set forth in Sections 7.1, 7.2 and 7.2(f) (other than those conditions that are to be satisfied on the Closing Date, but subject to the satisfaction of such conditions) shall have been satisfied or waived by the Party entitled to waive the same, or on such other date, at such other time and/or at such other place as the Purchaser and the Sellers may jointly agree in writing. The date on which the Closing actually takes place is referred to in this Agreement as the "**Closing Date**".

2.5 Transactions at the Closing

(a) At the Closing, the Sellers shall deliver to the Purchaser all agreements, documents, instruments and certificates required to be delivered by the Seller (and, where applicable, executed by the Seller or a duly authorized officer of the Seller) at or prior to the Closing pursuant to Section 7.2 of this Agreement.

(b) At the Closing, the Purchaser shall:

(i) deliver the Closing Date Payment Amount to the Sellers and the Escrow Agent in accordance with Section 2.3 above; and

(ii) deliver to the Seller all agreements, documents, instruments or certificates required to be delivered by the Purchaser at or prior to the Closing pursuant to Section 7.3 of this Agreement.

For the purposes of the Closing, a copy of a bank wire transfer confirmation from the Purchaser's bank shall be considered the satisfaction of this Section 2.5(b)(i).

(c) The Purchaser acknowledges that the Refinanced Existing Indebtedness will become repayable in full on the Closing Date in accordance with the terms of the relevant agreements of such Indebtedness, as a result of the Acquisition. On the Closing Date, the Purchaser shall, as an essential condition to the sale of the Purchased Shares, and in addition to the payment of the Purchase Price, repay on behalf of the relevant Group Company, or cause the relevant Group Company to repay, the full amount of the Refinanced Existing Indebtedness on the Closing Date, with value date on the Closing Date.

(d) The Sellers will cause the Existing Liens which have been granted in connection with the Existing Indebtedness to be released conditional upon repayment of the Refinanced Existing Indebtedness on the Closing Date. The Purchaser acknowledges that it will be responsible for the repayment of the full amount of the Refinanced Existing Indebtedness.

(e) All transactions to take place at the Closing shall be deemed to take place simultaneously on the Closing Date, and no transaction hereunder shall be deemed to have been completed, or any document delivered, until all such transactions have been completed and all agreements, documents, instruments or certificates required to be delivered hereunder have been delivered.

2.6 Purchase Price Adjustments

(a) Within ninety (90) days following the Closing Date, the Purchaser shall prepare, or cause to be prepared, and deliver to the Sellers the following:

(i) A consolidated balance sheet of the Company, as of the Closing Date, prepared in accordance with French GAAP (the "**Closing Balance Sheet**"); and

(ii) a certificate (the "**Closing Statement**"), setting forth its determination of: the Indebtedness, Transaction Expenses and the Net Working Capital Adjustment Amount, in each case, as at the Closing Date and in accordance with the Closing Balance Sheet.

Following delivery of the Closing Balance Sheet and the Closing Statement, the Purchaser shall provide the Sellers' Representative with any supporting documentation for the Closing Balance Sheet and the Closing Statement that the Sellers' Representative may reasonably request including all paperwork and copies of source documents that support and document the determination and calculation of the Closing Balance Sheet and the Closing Statement. In addition, the Sellers' Representative shall be given all such access as it may reasonably require during the Purchaser's or the Company's normal business hours (or such other times as the Parties may agree) and upon reasonable notice to those accounting books and records of the Company in the possession of, and/or under the control of, the Purchaser and the Company, and access to such personnel or representatives, subject to privilege under applicable Law, of the Company and the Purchaser as it may reasonably require and without interfering with the day- to-day operation of the Company and the Purchaser, for the purpose of resolving any disputes or responding to any matters or inquiries raised concerning the documents delivered under this sub-Section 2.6(a) and/or the calculation thereof. If the Purchaser does not deliver a Closing Balance Sheet or Closing Statement within the abovementioned ninety (90) day period, then the estimates provided by the Sellers and the Company in the Estimated Closing Balance Sheet and the Closing Certificate shall become final and binding upon all Parties.

(b) Within thirty (30) days after the Sellers' Representative's receipt of the Closing Balance Sheet and the Closing Statement, the Sellers' Representative shall deliver to the Purchaser a written statement specifying any objections thereto, if any, in reasonable detail (an "**Objections Statement**"). If the Sellers' Representative does not deliver an Objections Statement within such thirty (30) day period, then the Closing Balance Sheet and the Closing Statement shall become final and binding upon all Parties. If the Sellers' Representative delivers an Objections Statement within such thirty (30) day period, the Sellers' Representative and the Purchaser shall negotiate in good faith for twenty (20) days following the Purchaser's receipt of the Objections Statements to resolve such objections (any unresolved objection, a "**Dispute**"). Any item or matter set forth in the Closing Balance Sheet and in the Closing Statement that is not objected to by the Sellers' Representative in the Objections Statement shall become final and binding upon the Parties. If the Purchaser and the Sellers' Representative manage to resolve all, or any portion, of such Disputes, such resolutions will be recorded in writing and the Sellers' Representative and the Purchaser will sign a modified Closing Balance Sheet and Closing Statement. If the Purchaser and the Sellers' Representative are unable to resolve all objections during such twenty (20) day period, any remaining Disputes (and only such remaining Disputes) shall be resolved by a mutually acceptable internationally recognized independent accounting firm or other mutually acceptable internationally recognized financial services provider (the "**Referee**"). In the event that the Parties failed to agree upon the appointment of the Referee within the stipulated period, then the Referee shall be selected and appointed by the then current President of the certified public accountants institute (*Ordre des Experts- Comptables*) in France, provided that such Referee shall be internationally recognized independent accounting firm and not commercially related to any of the Parties hereto. The Referee shall be instructed to resolve any such remaining Disputes in accordance with the terms of this Agreement within thirty (30) Business Days after its appointment and shall act in its capacity as an expert and not as an arbitrator.

(c) The resolution of such Disputes by the Referee (i) shall be set forth in writing, in English, stating the basis of its determination, and (ii) shall be only within the range of dispute between Purchaser and the Sellers' Representative. The Referee's determination shall be conclusive and binding upon the Purchaser and the Seller, save for a manifest mathematical error (when the relevant part of the determination shall be void and the matter shall be remitted to the Referee for correction).

(d) Upon delivery of such resolution, the Closing Balance Sheet and the Closing Statement, as modified in accordance with such resolution, shall become final and binding upon all Parties

(e) The fees and expenses of the Referee shall be equally borne by the Parties, unless the Referee rules otherwise. Each Party shall bear its own other costs and fees, including attorney's fees, incurred by that Party in the course of the dispute, except to the extent entitled to indemnification, compensation or reimbursement under this Agreement or as otherwise determined by the Referee.

(f) Upon the Closing Balance Sheets and the Closing Statements becoming final and binding in accordance with Section 2.6(b) above, the Closing Date Payment Amount shall be recalculated with reference to the Indebtedness, Net Working Capital Adjustment Amount and the Transaction Expenses as set out in such Closing Statement (as may have been amended or confirmed in accordance with Section 2.6(b) above) (the "**Confirmed Purchase Price**") and the following adjustments and payments made ("**Post-Closing Adjustment**"):

(i) If the Confirmed Purchase Price is greater than the Closing Date Payment Amount (a "**Positive Adjustment Amount**") then the Purchaser, either directly, by instruction to the Company or through a paying agent, subject to Section 2.9 below, shall pay (or cause the payment of, on its behalf), within five (5) Business Days, such difference to the Seller (subject to any withholdings required pursuant to the terms hereof), by either wire transfer (as per the payment instructions details set out in the Consideration Allocation Certificate) of immediately available funds or the issuance of additional Combined Company Common Stock, or a mix thereof, as determined by the Purchaser; and

(ii) If the Confirmed Purchase Price is less than the Closing Date Payment Amount (a "**Negative Adjustment Amount**"), then within five (5) Business Days thereafter the amount owed to the Purchaser (being the absolute amount of such difference) shall be paid to the Purchaser by the Sellers, pro-rata pursuant to their percentage holding as set forth across from their name in the Consideration Allocation Certificate. Such payment shall only be by way of a cash payment and not by the surrender of any Combined Company Common Stock. In the event that the Sellers fail to transfer the Negative Adjustment Amount within the said five (5) Business Days, the Purchaser may claim such amount from the Escrow Amount, or (at its sole discretion) set-off from the Earn- out Payments.

2.7 Escrow Agreement

(a) To provide for an escrow to secure and to serve as a fund in respect of the obligations of the Sellers under Article 9, the Purchaser, the Individual Sellers and the Escrow Agent, as an escrow agent shall, at Closing, enter into an escrow agreement, in the final form to be attached at Closing as **Exhibit B** hereto (the "**Escrow Agreement**"). At Closing, the Purchaser shall transfer the Escrow Amount to the Escrow Agent to be deposited in an escrow account established by the Escrow Agent pursuant to the terms of the Escrow Agreement (the "**Escrow Account**"). The Escrow Amount shall be invested in accordance with investment guidelines specified in the Escrow Agreement.

(b) The Escrow Amount shall be released to the Sellers by wire transfer of immediately available funds in accordance with the Consideration Allocation Certificate and subject to Section 2.9 below, as follows:

(i) on the first (1st) anniversary of the Closing Date (the "**First Escrow Release Date**"), fifty percent (50%) of the funds in respect of the Escrow Amount then on deposit in the Escrow Account, including all interest and profits accrued thereon, minus the sum of any amounts in respect of which claims were made pursuant to Article 9 by any Indemnitee which are then pending (provided, however, that in no event shall the transfers pursuant to this Section 2.7(b)(i) reduce the remaining funds in respect of the Escrow Amount on deposit in the Escrow Account to less than €2,000,000);

(ii) on the second (2nd) anniversary of the Closing Date (the "**Second Escrow Release Date**"), all funds in respect of the Escrow Amount then on deposit in the Escrow Account, including all interest and profits accrued thereon, minus the sum of any amounts in respect of which claims were made pursuant to Article 9, by any Indemnitee which are then pending; and

(iii) such amounts (or parts thereof) in respect of such pending claims for indemnification by any Indemnitee (made pursuant to Article 9, upon final and binding resolution of any such claim to either (A) as of or following the Second Escrow Release Date, to the Individual Sellers (subject to any withholdings required pursuant to the terms hereof), in accordance with their Relevant Portion; or (B) the Purchaser within five (5) Business Days of such determination, all in accordance with such final and binding resolution.

2.8 Earn-out.

(a) Earn-out Definitions. For the purposes of this Section 2.8:

(i) "**Annual Revenue**" shall mean the Net Revenue generated in the relevant calendar year;

(ii) "**Earn-out Period**" shall mean the First Earn-out Period or the Second Earn-out Period;

(iii) "**First Earn-out Period**" shall mean the twelve (12) month period ending December 31, 2021;

(iv) "**First Target Revenue**" shall mean an amount of Annual Revenue in the First Earn- out Period equal to at least ninety percent (90%) of €41,000,000;

(v) "**Net Revenue**" shall mean gross revenue as determined by French GAAP, from any sale, license, integration, implementation, customization, service, subscription, rental, certification, qualification, tooling or any other transaction less: applicable sales returns, credits, discounts, distributions commissions, lost debts, allowances for bad debts and doubtful debts, provided that all such deductions shall be demonstrated by written evidence;

(vi) "**Second Earn-out Period**" shall mean the twelve (12) month period ending December 31, 2022; and

(vii) "**Second Target Revenue**" shall mean an amount of Annual Revenue in the Second Earn-out Period equal to at least ninety percent (90%) of € 52,000,000.

(b) Subject to an Acceleration Event in provisions of Section 6.13(c), if during the First Earn-out Period the Company meets or exceeds the First Target Revenue as set forth in the Revenue Certificate for the First Earn-out Period, then the Individual Sellers shall be entitled to an additional payment equal to €2,500,000 (the "**First Earn-out Amount**") to be paid within thirty (30) days of the delivery of such Revenue Certificate, in accordance with their Relevant Portion and subject to Section 2.9 below (the aggregate amount payable under this Section 2.8(b), the "**First Earn-out Payment**").

(c) Subject to an Acceleration Event in provisions of Section 6.13(c), if during the Second Earn- out Period the Company meets or exceeds the Second Target Revenue as set forth in the Revenue Certificate for the Second Earn-out Period, then the Individual Sellers shall be entitled to an additional payment equal to €2,500,000 (the "**Second Earn-out Amount**" and together with the First Earn-out Amount, the "**Earn-out Amounts**") to be paid within thirty (30) days of the delivery of such Revenue Certificate, in accordance with their Relevant Portion and subject to Section 2.9 below (the aggregate amount payable under this Section 2.8(b), the "**Second Earn-out Payment**" and together with the First Earn-out Payment, the "**Earn-out Payments**").

(d) The Annual Revenue shall be calculated by the independent accounting firm auditing the Company's annual financial statements, and who shall provide a certificate stating the Annual Revenue for the relevant Earn-out Period, within thirty (30) days following the finalization of the Company's annual financial statements for the relevant Earn-out Period (each, a "**Revenue Certificate**"). The Purchaser and/or the Company shall deliver the Revenue Certificate to the Seller's Representative as soon as practicable after receipt from the accountants. The Annual Revenue as set forth in the Revenue Certificate shall be final and binding upon the parties hereto, absent manifest error.

(e) The First Earn-out Payment and the Second Earn-out Payment, if any, shall be paid by the Purchaser and/or the Company as follows, unless otherwise agreed in writing between the Individual Sellers and the Purchaser: (A) up to fifty percent (50%) by wire transfer (as per the payment instructions details set out in the Consideration Allocation Certificate) of immediately available funds and (B) up to fifty percent (50%) by the issuance of additional Combined Company Common Stock. The number of additional Combined Company Common Stock will be calculated based on the thirty (30) day weighted average of the Combined Company Common Stock as traded on the Nasdaq Capital Markets prior to the relevant payment date.

2.9 Withholding

Notwithstanding any other provision of this Agreement to the contrary, as the Purchaser understands that no withholding is required, nonetheless, to the extent advised otherwise by its advisors, the Purchaser and its representatives (each a "**Payor**"), shall be entitled to deduct and withhold from any payment made pursuant to this Agreement such amounts as such Payor is required to deduct or withhold therefrom under the applicable Tax Laws, with respect to the making of such payment. To the extent that such amounts are so withheld by the Payor, (i) such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Person to whom or to which such amounts would otherwise have been paid; (ii) such withheld amounts shall be remitted by the relevant Payor, to the relevant Tax Governmental Authority; and (iii) the relevant Payor shall provide to the payee from which such amounts were withheld, written confirmation of the amount so withheld and its transfer to the applicable Governmental Authority.

3. REPRESENTATIONS AND WARRANTIES RELATING TO THE SELLER AND THE PURCHASED SHARES

Each Seller hereby severally represents and warrants to the Purchaser (and acknowledges that these representations and warranties were delivered to the Purchaser as an inducement to enter into this Agreement in reliance upon such representations and warranties), only with respect to itself, as of the date of this Agreement and as of the Closing Date, as follows:

3.1 Organization, Good Standing and Power

Such Seller, if an entity, is duly organized, validly existing and in good standing under the laws of the jurisdiction in which such Seller is organized.

3.2 Authority; Execution and Delivery; Enforceability

Such Seller has full power and authority to execute and deliver this Agreement and all other instruments and agreements to be delivered by such Seller as contemplated hereby and to perform such Seller's obligations hereunder and thereunder and to consummate the Acquisition and the other transactions contemplated hereby and thereby. The execution, delivery and performance by such Seller of this Agreement and all other instruments and agreements to be delivered by such Seller as contemplated hereby and the consummation by such Seller of the Acquisition and the other transactions contemplated hereby, and performance by such Seller hereunder, have been, and in the case of documents required to be delivered at the Closing will be, duly authorized and approved by all necessary corporate action, and no further action is required in connection therewith. Such Seller has duly executed and delivered this Agreement, and will duly execute and deliver all other instruments and agreements to be executed and delivered by such Seller as contemplated hereby. This Agreement and all other instruments and agreements to be delivered by such Seller as contemplated hereby constitute such Seller's legal, valid and binding obligation, enforceable against such Seller in accordance with its terms, except to the extent that such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally, and by principles of equity regarding the availability of remedies (whether in a proceeding at law or in equity).

3.3 No Conflicts; Consents

The execution and delivery by such Seller of this Agreement and all other instruments and agreements to be delivered by such Seller as contemplated hereby does not, and the consummation of the Acquisition and the other transactions contemplated hereby and thereby, and the compliance by such Seller with the terms hereof and thereof, and performance by such Seller hereunder and thereunder, will not, conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of prepayment, termination, cancellation or acceleration of any obligation or to loss of any benefit under, or result in the creation of any Lien upon any of the properties or assets of such Seller under, any provision of: (a) the governing documents of such Seller, in each case as amended to the date of this Agreement; (b) any Contract to which such Seller is a party or by which any of its properties or assets is bound; (c) any judgment applicable to such Seller or such Seller's properties or assets; or (d) any applicable Law, other than, in the case of clauses (c) and (d) above, any such items that, individually or in the aggregate, have not had and would not reasonably be expected to have an adverse effect on such Seller's ability to consummate the Acquisition and the other transactions contemplated hereby. Except for the Relevant Antitrust Approvals, no consent, approval, license, permit, order or authorization of, or registration, declaration or filing with, any Governmental Authority or any other Person is required to be obtained or made by or with respect to such Seller in connection with the execution, delivery and performance of this Agreement or the consummation of the Acquisition or the other transactions contemplated hereby.

3.4 Litigation

There are no Proceedings pending or, to any such Seller's Knowledge, threatened, against such Seller which seeks to prevent or delay the consummation of the Acquisition and the other transactions contemplated hereby, or that would affect such Seller's ability to consummate the Acquisition and the other transactions contemplated hereby, in any respect.

3.5 The Purchased Shares

The Purchased Shares constitute all of the issued and outstanding Equity Securities of the Company. Such Seller is the legal, record and beneficial owner of such Seller's Relevant Purchased Shares set forth opposite such Seller's name in **Annex I**, and has good and valid title to such Relevant Purchased Shares, in each case, free and clear of all Liens at Closing. All of such Seller's Relevant Purchased Shares were acquired from third parties or the Company by such Seller in compliance with applicable Law. There is no outstanding Contract with any Person (other than this Agreement) to purchase, redeem or otherwise acquire any shares of the Company. The Relevant Purchased Shares of each Seller to be acquired by the Purchaser pursuant to this Agreement are not, or shall not be at the Closing Date, subject to any preemptive rights, rights of first refusal or any other third party rights with respect to the transfer of the Relevant Purchased Shares. Upon delivery to the Purchaser at the Closing of certificates representing such Seller's Relevant Purchased Shares, together with related share transfer deeds and other necessary instruments of transfer fully executed by such Seller for transfer to the Purchaser, and upon such Seller's receipt of such Seller's Relevant Portion of the Closing Date Payment Amount good and valid title to such Seller's Relevant Purchased Shares will pass to the Purchaser, free and clear of any Liens.

3.6 Solvency of the Seller and Related Matters

Such Seller is consummating the Acquisition and the other transactions contemplated hereby in good faith, for a legal and valid business reason, and not with any intent to hinder, delay or defraud any entity to which such Seller is, intends to be or believes that such Seller will become, indebted. Such Seller is receiving such Seller's Relevant Portion of the Closing Date Payment Amount for the consummation of the Acquisition and the other transactions contemplated hereby, and has not thereby received less than reasonably equivalent value or fair consideration in exchange therefor. Both immediately prior to and immediately after the consummation of the Closing, such Seller has not incurred debts, does not intend to incur debts and does not believe that it has incurred debts that would reasonably be expected to have an adverse effect on such Seller's ability to pay such debts as they mature.

3.7 Compliance with Anti-Bribery Law

No part of the payments received by such Seller, directly or indirectly, from any other party in connection with the Acquisition, will be used in contravention of the provisions of any Anti-Bribery Laws to which such Seller or any Group Member is subject.

3.8 Brokers or Finders

No broker, finder, agent or similar intermediary has acted for or on behalf of such Seller in connection with this Agreement or the transactions contemplated hereby and thereby, and no broker, finder, agent or similar intermediary is entitled to any broker's, finder's or similar fee or other commission in connection therewith based on any agreement, arrangement or understanding with such Seller.

4. REPRESENTATIONS AND WARRANTIES RELATING TO THE COMPANY AND THE GROUP

Except as set forth in the Disclosure Schedule, which shall be deemed to be a part of the representations and warranties made hereunder, each Individual Seller, hereby represents and warrants to the Purchaser (and acknowledges that these representations and warranties were delivered to the Purchaser as an inducement to enter into this Agreement in reliance upon such representations and warranties) with respect to the Company (the term "Company" shall include any Subsidiaries of the Company, *mutatis mutandis*, except where the context dictates otherwise) and the Group, as of the date of this Agreement and (unless otherwise specified) as of the Closing Date, as set out below.

The Individual Sellers make no representation and give no warranty to the Purchaser other than as specifically provided for in this Section 4.

The representations and warranties made by each Individual Seller in this Article 4 are subject to the modifications set forth in the Disclosure Schedule, and where properly disclosed therein, exempt the Individual Sellers from liability for a Loss resulting from a Triggering Event referred to in Section 9.1(a).

4.1 Organization, Good Standing and Qualification

(a) Each Group Member is duly organized, validly existing and, where applicable, in good standing under the laws of its respective jurisdictions of organization. **Schedule 4.1(a)** of the Disclosure Schedule sets forth a true and complete list of the each of the Group Members, and each entity's jurisdiction of organization. Each Group Member has the requisite corporate power and authority to own and operate its properties and assets and to carry on its businesses as presently conducted. Each Group Member is duly qualified or licensed to do business as a foreign corporation and is in good standing in each jurisdiction in which the nature of its activities and properties makes such qualification necessary.

(b) True, correct and complete copies of each Group Member's organizational documents have been provided to counsel for the Purchaser. **Schedule 4.1(b)** of the Disclosure Schedule sets forth a list of the duly elected directors of each Group Member and the duly appointed officers of each Group Member.

4.2 Subsidiaries

(a) **Schedule 4.2(a)** of the Disclosure Schedule lists all direct and indirect Subsidiaries of the Company and sets forth: (i) the type of legal entity, jurisdiction of incorporation or organization and the official registration number of each such Subsidiary; (ii) its registered office and registered agent; (iii) the directors for each Subsidiary, as of the date hereof; and (iv) the designation, par value and the number of all authorized, issued, outstanding and reserved Equity Securities for each Subsidiary and its respective registered shareholder.

(b) All of the Company's Subsidiaries are wholly owned by the Company, directly or indirectly (through another Subsidiary), and all of their Equity Securities are free and clear from any Liens. No person, other than the Company is entitled to any Equity Securities or voting rights in any Subsidiary. The Company does not own, directly or indirectly, any Equity Securities or voting interests in any company, partnership, joint venture, association or other person.

(c) All of the issued and outstanding Equity Securities of each Subsidiary identified on **Schedule 4.2(a)** of the Disclosure Schedule is duly authorized, validly issued, fully paid and non-assessable.

(d) No Group Member owns or Controls, directly or indirectly, any interest in any corporation, partnership, limited liability company, joint venture, trust, association or other business entity. None of the Group Members is a participant in any joint venture, partnership or similar arrangement. There are no restrictions that prevent or restrict the payment of dividends or other distributions by any of the Group Members other than those imposed by the laws of general applicability of such Group Member's respective jurisdictions of organization.

4.3 Capitalization

Schedule 4.3 of the Disclosure Schedule sets forth all of the holders of the issued and outstanding Equity Securities of the Company and the number of Equity Securities held by each holder on a Fully Diluted Basis.

(a) All issued and outstanding shares of each Group Member have been duly authorized and are validly issued, fully paid and non-assessable, and were issued in compliance with applicable laws. The Purchased Shares constitute all of the issued and outstanding equity interests of the Company. Immediately following the Closing, the Purchaser shall be the sole owner of all of the issued and outstanding share capital of the Company on a Fully Diluted Basis. Except as set forth in **Schedule 4.3(a)** of the Disclosure Schedule, the Company and the other Group Members have not adopted or entered into any option or other equity incentives or awards plan any deferred compensation agreement, bonus plan, incentive plan, profit sharing plan, retirement agreement or other employee compensation agreement, and neither the Company nor any other Group Member has issued or granted any options or other equity or incentive awards to its directors, officers, employees and/or other service providers.

(b) Other than as set forth in **Schedule 4.3(b)** of the Disclosure Schedule, there are no outstanding or authorized options, stock appreciation, warrants, phantom stock, profit participation or similar rights, or other equity or voting interests in the Company. No stock plan, stock purchase, stock option or other agreement or understanding between the Company and any holder of any Equity Securities or rights to purchase Equity Securities provides for acceleration or other changes in the vesting provisions or other terms of such agreement or understanding as the result of (i) termination of employment or consulting services (whether actual or constructive); (ii) any merger, consolidated sale of stock or assets, change in Control or any other transaction(s) by the Company; or (iii) the occurrence of any other event or combination of events.

(c) The Company has no obligation (contingent or otherwise) to (i) issue any subscription, warrant, option, convertible security or other such right or to issue or distribute to holders of any shares, any evidences of Indebtedness of the Company; or (ii) purchase, redeem or otherwise acquire any shares or any interest therein or to pay any dividend or make any other distribution in respect thereof. The Company is not a party to or subject to any agreement or understanding (including irrevocable proxies), and there are no agreements or understandings between any Persons, which relate to the voting or giving of written consent with respect to any security of the Company or any other Group Member.

(d) There are no agreements between the Company, on the one hand, and any Person, on the other hand, with respect to the sale of the Company's Equity Securities (other than this Agreement). The Company does not have any authorized or outstanding bonds, capital notes debentures, notes or other indebtedness the holders of which have the right to vote (or convertible into, exchangeable for, or evidencing the right to subscribe for or acquire securities having the right to vote) with the shareholders of the Company on any matter.

4.4 Authorization; Execution and Delivery; Enforceability

(a) With the exception of the Business Combination, the Private Placement and the other transactions contemplated thereof, the Company and each applicable Group Member has all requisite power and authority to execute all instruments and agreements to be delivered by the Company and the Seller as contemplated hereby and to carry out and perform its obligations thereunder. All corporate and other action on the part of the Company (including approval by the Company's shareholders and board of directors) and each applicable Group Member necessary for the authorization, execution, delivery and performance of all instruments and agreements to be delivered as contemplated hereby has been taken (and, for the avoidance of doubt, is within the Company's and each applicable Group Member's corporate power and authority) or will be taken prior to Closing.

(b) The execution, and performance by the Company and each applicable Group Member of all instruments and agreements to be delivered by the Company as contemplated hereby, and performance by the Company and each Group Member thereunder, have been, and in the case of documents required to be delivered by the Sellers at the Closing will be, duly authorized and approved by all necessary corporate, or other, action, and no further action is required in connection therewith. All other instruments and agreements to be executed by the Company and each applicable Group Member as contemplated hereby constitute the Company's and each applicable Group Member's legal, valid and binding obligation, enforceable against it in accordance with its terms, except to the extent that such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally, and by principles of equity regarding the availability of remedies (whether in a proceeding at law or in equity).

(c) Except for any Relevant Antitrust Approvals and Foreign Investment Clearance, no consent, approval, authorization, order, filing, registration or qualification of or with any court, Governmental Authority or third Person is required to be obtained or made by a Group Member in connection with the execution and delivery of this Agreement and, with the exception of the Business Combination, the Private Placement and the other transactions contemplated thereof, the execution and performance of all instruments and agreements contemplated hereby, and performance by such Group Member thereunder.

4.5 Compliance with Law and Other Instruments

(a) None of the Group Members is in violation of any term of its respective governing documents, as amended to the date of this Agreement. Each Group Member is currently conducting its operations in compliance with all Laws applicable to the Group.

(b) The execution and delivery of this Agreement and all other instruments and agreements to be delivered by the Company and the Sellers as contemplated hereby, the performance by the Company and each applicable Group Member of any actions pursuant to this Agreement, and consummation of the transactions contemplated by this Agreement do not, and shall not at the Closing Date, result in any violation of, or conflict with, or constitute a default (with or without notice or lapse of time, or both) under the Company's or each applicable Group Member's governing documents or any of the Material Contracts, nor result in the creation of any Lien, upon any of the properties or assets of any of the Group Members, or give to others any rights, including but not limited to rights of termination, cancellation or acceleration, in or with respect to any agreement, contract or commitment referred to in this section, or to any of the properties of any of the Group Members, or otherwise require the consent or approval of any Person, which consent or approval has not heretofore been obtained or otherwise result in the suspension, revocation, impairment, forfeiture or non-renewal of any Permit, license, authorization or approval applicable to any of the Group Members, their businesses or any of their assets or properties, except in each case as would not be material to the Group.

4.6 Permits

Each Group Member has all federal, state, local and foreign franchises, permits, licenses, authorizations, certificates, rights, exemptions, variances, clearances, registrations, qualifications, authorizations and orders and any similar authority in France, the United States, the United Arab Emirates (Dubai) Singapore and Canada, any member of the European Union or any other applicable jurisdiction (collectively, the "**Permits**"), material to the conduct of its business as now being conducted by it. To the Individual Sellers' Knowledge, the Group Members are in compliance in all respects with the terms and conditions of all Permits. The Sellers have delivered or made available to the Purchaser for inspection a true and correct copy of each material Permit obtained or possessed by the Group Members. All such Permits are valid and have not lapsed, been cancelled, terminated or withdrawn. No Proceeding to modify, suspend, revoke, withdraw, terminate or otherwise limit any Permit is pending, or, to the Sellers' Knowledge, threatened. No administrative or governmental action or Proceeding has been taken, or, to the Sellers' Knowledge, threatened, in connection with the expiration, continuance or renewal of any such Permit.

4.7 Financial Statements

(a) The Company and the Sellers have made available to the Purchaser the audited consolidated financial statements of the Company and each Group Member, as applicable, as set forth in **Schedule 4.7(a)** of the Disclosure Schedule, as of and for the fiscal years ended December 31, 2019 and December 31, 2018, and the unaudited, reviewed consolidated financial statements of the Company for the six (6) month period ending June 30, 2020 (collectively, the "**Financial Statements**").

(b) The Financial Statements (i) fairly present the financial condition and the results of operations of the Company and such applicable Group Member as of the respective dates of and for the periods referred to in such Financial Statements, all in accordance with French GAAP applied on a consistent basis throughout the periods involved and at the dates involved; and (ii) reflect all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the Company's and the applicable Group Member's financial condition at the respective dates of the balance sheets contained in the Financial Statements and the results of operations for the periods ended on each balance sheet date.

(c) Each Group Member maintains internal controls over financial reporting sufficient to provide assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with the GAAP applicable to such Group Member and to maintain asset accountability; and (iii) the recorded accountability for assets is compared with the existing assets and appropriate action is taken with respect to any differences. All of the accounting books and registers required by the Law have been duly kept by the Group Members, they are exhaustive and up to date, and they are in the possession of the Group Members. No written notice or request has been received to the effect that these books and registers are incorrect or must be rectified. None of the Group Members has Liabilities or Indebtedness, other than as set forth in the Financial Statements, in each case as of the respective date of such Financial Statements. None of the Group Members is a party to, or has any commitment to become a party to, any off balance sheet arrangement. All Financial Statements of each Group Members required to be filed with the relevant Governmental Authorities under applicable Laws have been made.

(d) Each Group Member's policies, principles, methods or procedures with respect to the maintenance of its working capital, including with respect to terms of credit and payment to suppliers and other accounts payable, collection and other payment terms with customers and distributors and other accounts receivable, have been consistently applied through the period covered by the Financial Statements other than inconsistencies which in the aggregate are not material to the business of the Group Members. Any financial projections, business plans or budgets provided by the Company or the Sellers to the Purchaser were reasonably prepared on a basis reflecting management's reasonable estimates, assumptions and good faith judgments, at the time provided to the Purchaser, as to the future financial performance of the Group Members.

4.8 Changes

Except as set forth in **Schedule 4.8** of the Disclosure Schedule, since the Balance Sheet Date and until the date hereof, the Group Members have operated in the ordinary course of business consistent with past practices (except for the actions taken in connection with the negotiation of this Agreement and the transactions contemplated hereby), and there has not been any:

(a) amendment to organizational documents or any issuance, sale, grant, disposal or redemption of any Equity Securities of any Group Member;

(b) material change in the financial conditions, assets, liabilities, profits or business other than changes in the ordinary course of business;

(c) damage, destruction or loss (whether or not covered by insurance) or other event materially affecting the assets, properties or business of the Group Members;

(d) material decrease in transactions between any of the Group Members and its material clients or suppliers nor any threat of such a decrease;

(e) material change in the average time period necessary for the collection of receivables or payment of sums owed;

(f) court, arbitral or administrative decisions rendered against any of the Group Members which may have an adverse effect on their financial position, assets, profits or business, or the settlement of any Proceeding or threatened Proceeding by a Group Member;

(g) waiver by any Group Member of a material right or debt owed to any of them;

(h) satisfaction or discharge of any Lien or claim or payment of any obligation by any Group Member except in the ordinary course of business and that is not individually or in the aggregate adverse to the assets, properties, financial condition, operating results or business of such Group Member, or in excess of €50,000 for each case, or €150,000 in the aggregate;

(i) change in the accounting methods or accounting principles or practices employed by any Group Member, except as required by any concurrent changes in French GAAP;

(j) change to the Group's policies, principles, methods or procedures with respect to the maintenance of its working capital, including with respect to sales to customers and distributors, terms of credit and payment to suppliers and other accounts payable, collection and other payment terms with customers and distributors and other accounts receivable;

(k) declaration or distribution of dividends;

(l) incurrence of any Liability, debt or guarantee by any Group Member, not in the ordinary course of business other than accounts payable not due as of the date hereof or as of the Closing accrued in the ordinary course of business consistent with past practices;

(m) sale or lease of, or imposition of a Lien over, any material asset of a Group Member other than in the ordinary course of business in accordance with past practice;

(n) change, amendment or revocation of any Tax election, or filing of any amendment to a Tax Return or a request for a Tax refund, settlement of any claim or audit in respect of Taxes, agreement to extend any applicable statute of limitation or entry into a contractual obligation in respect of Taxes with any Governmental Authority by any Group Member;

(o) action with respect to a liquidation, winding-up, freeze of proceedings, arrangement with creditors, receivership or other similar insolvency events by or with respect to any Group Member;

(p) any resignation or termination of employment of any Key Employee;

(q) any material change in any compensation arrangement or agreement with any employee, officer, director or shareholder of any Group Member, other than changes in the ordinary course of business consistent with past practices;

(r) any sale, assignment, exclusive license or transfer of any Company Intellectual Property;

(s) any event, occurrence, development or state of circumstances or facts that has, had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect over any of the Group Members;

(t) any application for or receipt of a Governmental Grant;

(u) any arrangement or commitment by the Company to do any of the acts described in subsections (a) through (t).

4.9 Taxes

(a) Each Group Member has submitted on time and in the required form, to the appropriate Governmental Authorities, and for all periods open for Tax audit or claims under the applicable statutes of limitation (as the same may be extended under applicable Laws) all of the Tax Returns. Each of these returns is accurate and true, does not contain any error or omission with regard to the Law applicable to Taxes and fully complies with the Law applicable to Taxes. Each Group Member complies and has always complied with the Law applicable to Taxes.

(b) Each Group Member has properly established, holds and keeps at its disposal all of the documents which prove the information entered on the returns and in the documents referred to above as well as compliance with the Law applicable to Taxes, including those that could be requested by the tax authorities, in the formats required by the Law applicable to Taxes.

(c) Each Group Member has duly paid the Taxes for which it is or has been liable (which Taxes were paid within the timeframes imposed by the Law) on or prior to the Closing Date. Each Group Member has duly paid all amounts owing to any government department or Governmental Authority, and no proceedings or other action with a view to calculating or recovering any additional Tax has/have been brought or is/are liable to be brought against any of the Group Members. All Taxes which may become due and which relate to any Tax period that ends on or prior to the Closing Date (or with respect to any Tax period that includes but does not end on the Closing Date, the portion of such Tax period ending with the Closing Date) have been properly reserved for in the Financial Statements.

(d) None of the Group Members has been, is currently or has been informed that it might be the subject of any request for information, tax reassessment notice, audit or claim by the Governmental Authorities that deal with Taxes. No dispute involving any of the Group Members is currently pending in relation to any Tax. No circumstances are liable to lead to any such audit, reassessment or other dispute.

(e) Except as set forth in **Schedule 4.9(e)** of the Disclosure Schedule, no agreement concerning Taxes has been entered into between any of the Group Members and the Governmental Authorities in the last ten years.

(f) No tax sharing agreement, indemnity obligation or similar contract or arrangement has been entered into between any Group Member and the Sellers or any Affiliate of the Sellers.

(g) Any condition, commitment or formality required, according to the Law applicable to Taxes and any individual ruling or agreement granted by any Governmental Authority, to benefit from an advantage with respect to Tax that has been claimed by any of the Group Members (included but not limited to a favorable Tax regime, whether optional or mandatory, or a Tax credit such as a research and development Tax credit or a refund of such Tax credit) have been duly met or made. The Group Members have complied with all material conditions set out in any ruling or favorable Tax regime applicable to them or granted by any Governmental Authority.

(h) Except as set forth in **Schedule 4.9(e)** of the Disclosure Schedule, none of the Group Members has had the benefit, has the benefit or has requested the benefit of any Tax benefit (including a payment deferral or suspension), preferential tax treatment, aid, subsidy, financial assistance, investment support or other similar measure (such as a deduction or exemption, research tax credit, etc.), including in exchange for undertakings or obligations, or an additional tax liability borne or to be borne in the future.

(i) No claim for Taxes has ever been made by a Governmental Authority in a jurisdiction where no Group Member files Tax Returns. None of the Group Members has a presence in any country which would require them to declare a local permanent establishment.

4.10 Title to Properties and Assets; Liens; Real Property

(a) Each Group Member has good and valid title to all of the Real Property Leases, Real Property Assets and Tangible Property, in each case subject to no Lien other than (i) Liens for current taxes not yet due and payable; and (ii) Liens incurred in the ordinary course of business for obligations not past due. None of the Group Members is in default or breach of any material provision of any lease and holds a valid leasehold interest or license in the properties they lease, free and clear of any Liens, subject to the exceptions in clauses (i)-(ii) above.

(b) The facilities, machinery, furniture, leasehold improvements, fixtures, vehicles structures, related capitalized terms and other tangible personal property used in the business of the Group (the "**Tangible Property**") are in good operating condition, ordinary wear and tear excepted, and are adequate for the purposes for which they are presently being used. During the past five (5) years there has not been any significant interruption of the operations of the business of any Group Member due to inadequate maintenance of the Tangible Property.

(c) **Schedule 4.10(c)** of the Disclosure Schedule contains (i) an accurate and complete list of all leases, subleases or other occupancy agreements relating to real property (collectively, the "**Real Property Leases**") to which a Group Member is a party and sets forth the role of Group Member party thereto and the street address of such leased real property; and (ii) all real estate assets (including, without limitation, land, buildings, structures and installations legally characterized as a building) owned by each Group Member (the "**Real Property Assets**") and summary description (name of the owner, nature of the asset, location and area). Each Group Member has sole, exclusive and unchallenged ownership of the Real Property Assets Each Real Property Lease is valid and binding and has not been terminated or repudiated. True and complete copies, including all amendments thereto, of such Real Property Leases have been delivered or made available to the Purchaser.

(d) With respect to each Real Property Lease pursuant to which a Group Member is a lessee, such Group Member has valid leasehold interests in all leased real property described in each Real Property Lease, free and clear of any and all Liens and in each case the Group Member is not in default thereunder. All of the buildings, structures and appurtenances that are the subject of the Real Property Leases and Real Property Assets are in good operating condition (ordinary wear and tear excepted), and adequate for the purposes for which they are presently being used, in compliance with all regulatory or legislative requirements applicable to them. None of such buildings, structures or appurtenances that are the subject of the Real Property Leases (or any equipment therein), nor the operation or maintenance thereof, violates any restrictive covenant or any provision of any Law, or encroaches on any property owned by others in any manner. No condemnation proceeding is pending which would preclude or impair the use of any such property by any of the Group Members for the purposes for which it is currently used.

4.11 Litigation

Except as set forth in **Schedule 4.11** of the Disclosure Schedule, there are no Proceedings pending, nor, to the Individual Sellers' Knowledge, threatened, against any Group Member before any Governmental Authority. None of the Group Members or, to the Individual Sellers' Knowledge, any of its officers, directors or employees in their capacity as such, is a party or subject to the provisions of any Order. There is no Proceeding initiated by any Group Member which is currently pending.

4.12 Products; Product Liability

(a) There are no outstanding Proceedings or, to the Individual Sellers' Knowledge, threatened, against any of the Group Members in connection with any alleged defect in the design, manufacture, materials or workmanship of any products manufactured, licensed, distributed, shipped, sold or delivered by or on behalf of any Group Member or any alleged failure to warn, or any alleged breach of implied warranties or representations, other than to the extent such Proceedings would be immaterial.

(b) To the Sellers' Knowledge, since January 1, 2015, there has not been any material Occurrence.

(c) There has not been any Recall conducted with respect to any product developed, shipped, sold or delivered by or on behalf of any Group Member (a "**Company Product**"), or, to the Sellers' Knowledge, any investigation or consideration of or decision made by any Person or Governmental Authority concerning whether to undertake or not undertake any Recall.

(d) Each product manufactured, licensed, distributed, shipped, sold or delivered by or on behalf of any Group Member has been in conformity with all manufacturing standards applied, testing procedures used, and product specifications disclosed to customers by such Group Member and has complied in all material respects with all requirements established by any applicable Law or Order of any Governmental Authority.

4.13 Material Contracts

(a) **Schedule 4.13(a)** of the Disclosure Schedule sets forth an accurate and complete list of the following Contracts (each a "**Material Contract**", and collectively the "**Material Contracts**") to which any Group Member is a party or by which any of them or any of their properties or assets are bound:

(i) all Contracts with (A) obligations (contingent or otherwise) of a Group Member to a third party in excess of €100,000 during any twelve (12) month period, (B) payments to a Group Member by a third party in in excess of €100,000 during any twelve (12) month period (C) customers, distributors and suppliers listed in **Schedule 4.17(a)** of the Disclosure Schedule;

(ii) all IP Licenses other than with respect to non-customized, commercially available off- the-shelf software products licensed only under standard end-user object code license agreements and having a one time or annual license fee payment of less than € 50,000;

(iii) all Contracts affecting any Group Member's exclusive right to develop, manufacture, assemble, distribute, market or sell its products;

(iv) all Contracts by and between any Group Member, on the one hand, and any sales representative, original equipment manufacturer, manufacturing, value added, remarketer, reseller, or independent software vendor, or other Contract for use or distribution of the Company Products or services of any member of the Company Group, representing more than two percent (2%) of the concerned Group Member's annual gross revenue;

(v) all Contracts containing restrictions or limitations on any Group Member's right to do business or compete anywhere in the world or in any field with any Person;

(vi) all Contracts by and between any Group Member, on the one hand, and any current or former officer, director or shareholder, or other Affiliate, of any of the Group Members, on the other hand;

(vii) all Contracts that contain restrictions with respect to payment of dividends or any other distribution in respect of the shares or other equity interests of a Group Member;

(viii) all Contracts relating to capital expenditures or other purchases of material, supplies, equipment or other assets or properties or services in excess of €100,000;

(ix) all Contracts involving a loan (other than accounts receivable owing from trade debtors in the ordinary course of business) or advance to (other than travel and entertainment advances to the employees of any Group Member extended in the ordinary course of business and consistent with past practice), or investment in, any Person;

(x) all Contracts involving Indebtedness to or by any of the Group Members or granting or evidencing a Lien by or on any property or asset of, a Group Member;

(xi) any management service, consulting, financial advisory or any other similar type Contract and all Contracts with investment or commercial banks;

(xii) all Contracts involving disposition or acquisition of assets or properties (other than for the sale of inventory of any Group Member entered into in the ordinary course of business) or any merger, consolidation or similar business combination transaction, whether or not enforceable;

(xiii) all Contracts involving any joint venture, partnership, strategic alliance, shareholders' agreement, co-marketing, co-promotion, co-packaging or joint development;

(xiv) all Contracts involving any resolution or settlement of any actual or threatened litigation, arbitration, claim or other dispute;

(xv) all Contracts (A) with Key Employees; (B) requiring severance payments or payments upon a change-in-Control or termination of employment or services following a change-in-Control; and (C) all option, equity or equity-based plans and all incentive plans; and

(xvi) all Contracts with any Governmental Authority.

(b) True and correct copies of all of the Material Contracts, including all amendments, have been made available to the Purchaser. Each Material Contract is in full force and effect and is the legal, valid and binding obligation of the concerned Group Member.

(c) None of the Group Members is in breach of any such Material Contract, and no event has occurred, and no circumstance or condition exists, that will, or, to the Individual Sellers' Knowledge, could reasonably be expected to: (i) result in a violation or breach of any of the provisions of any such Material Contract; (ii) give any Person the right to accelerate the maturity or performance of any such Material Contract or to otherwise require amendment of its terms; or (iii) gives any Person the right to cancel or terminate any Material Contract.

(d) No Group Member has received any written notice or, to the Individual Sellers' Knowledge, other communication regarding a violation or breach of, or default under, any Material Contract.

4.14 Intellectual Property

(a) The Group or a Group Member solely and exclusively owns the Material Owned IP free and clear of all Liens, and each relevant Group Member has paid all application, maintenance, renewal and similar fees in respect of any registered Material Owned IP. **Schedule 4.14(a)** of the Disclosure Schedule sets forth a true and correct list of the Material Owned IP and specifies the relevant asset title, owner, jurisdiction, registration or application number, and issuance or filing date, for each scheduled asset as appropriate, and each such registration, filing, and issuance remains valid and enforceable and in full force and effect as of the Closing Date.

(b) Except as set forth in **Schedule 4.14(b)** of the Disclosure Schedule, a Group Member solely and exclusively owns, or has the right to use pursuant to the IP Licenses, in each case, free and clear of all Liens, all of the Company Intellectual Property. The Company Intellectual Property constitutes all the Intellectual Property necessary to conduct the business of the Group as of the Closing Date, in the manner in which it is presently conducted.

(c) None of the Group Members have received any written communication alleging that the operations of any of the Group Members, the Company Intellectual Property, or any product or service of a Group Member violates or infringes any Intellectual Property of any other Person or has violated or infringed such Intellectual Property. Neither the operations of any of the Group Members, the Company Intellectual Property, nor any product or service manufactured, distributed, marketed or sold by any Group Member, nor the use of such products, services or the Company Intellectual Property, violates or infringes any Intellectual Property of any other Person.

(d) None of the Group Members has sent any written communication to any other Person alleging that the operations of that Person or any product or service manufactured, distributed, marketed or sold by that Person violate, infringe or misappropriate any of the Company Intellectual Property or has violated or infringed the Company Intellectual Property.

(e) Except as stated in **Schedule 4.14(e)** of the Disclosure Schedule, there are no actions or litigations pending: (i) alleging any infringement or violation of the Intellectual Property of any other Person by a Group Member, the use of Company Intellectual Property, or any product or service manufactured, distributed, marketed or sold by any Group Member, (ii) challenging the ownership, use, validity or enforceability of any of the Company Intellectual Property; or (iii) alleging any infringement or violation by any other Person of any of the Company Intellectual Property.

(f) **Schedule 4.14(f)(a)** of the Disclosure Schedule sets forth a complete and accurate list of all IP Licenses (other than with respect to non-customized, commercially available off-the-shelf software products licensed only under standard end-user object code license agreements and having a one time or annual license fee payment of less than €50,000, true and complete copies of which have been made available to the Purchaser). All of the IP Licenses are in writing, and are valid and binding upon the parties thereto and have not been terminated or repudiated. Except as stated in **Schedule 4.14(f)(b)**, none of the Group Members is obligated to make any payments by way of royalties or fees to any owner or licensor of, or other claimant to, any Intellectual Property or other intangible asset, with respect to the use thereof or in connection with the conduct of its business as presently conducted.

(g) The Intellectual Property that has been developed, or is currently being developed, by any employee or consultant of a Group Member is sole and exclusive property of the Group. The Group Members have secured valid written assignments of ownership from employees and consultants who contributed or are contributing to the creation or development of Company Intellectual Property that is owned by a Group Member, of the rights to such contributions that the Group Members do not already own by operation of law. The Group Members have taken commercially reasonable measures to protect the proprietary nature of each item of Company Intellectual Property, including maintaining the secrecy and confidentiality of all Trade Secrets within the Company Intellectual Property.

(h) There are no pending or, to the Sellers' Knowledge, threatened, claims from current or former directors, employees or contractors of a Group Members in any jurisdiction for compensation or remuneration for inventions invented, copyright works created or any similar claim.

(i) **Schedule 4.14(i)** of the Disclosure Schedule lists all Open Source Software that has been incorporated into, integrated with, combined with or linked to any Company Product or Materially Owned IP in any way, or from which any Company Product or Materially Owned IP was derived, and describes the manner in which each such Open Source Software was incorporated into, integrated with, combined with or linked to any such Company Product or Materially Owned IP (such description shall include whether (and, if so, how) the Open Source Software was modified, distributed, conveyed or licensed out by the Company or any of its subsidiaries). The Group has not used Open Source Software in any manner that would, with respect to any Company Product or any Materially Owned IP, (i) require its disclosure or distribution in source code form; (ii) require the licensing thereof for the purpose of making derivative works; (iii) impose any restriction on the consideration to be charged for the distribution thereof; (iv) create, or purport to create, obligations for the Company with respect to Materially Owned IP or grant, or purport to grant, to any third party, any rights or immunities under Materially Owned IP; or (v) impose any other material limitation, restriction or condition on the right of a Group Member with respect to its use or distribution. With respect to any Open Source Software that is or has been used by a Group Member in any way, the Company Group has been and is in compliance with all applicable licenses with respect thereto, and in no case does the use, modification or distribution of any Open Source Software, as made by the Company, gives rise, creates, or purports to create obligations under such license terms or agreement to any rights or immunities to any third parties under any Company Product or Materially Owned IP, including without limitation, any obligation to disclose or distribute any Company Product or Materially Owned IP in source code form, to license any such Company Product or Materially Owned IP for the purpose of making derivative works, to distribute any such Company Product or Materially Owned IP without charge or grant any license to any of the Intellectual Property rights embedded therein.

(j) All of the IT Systems are owned by, or validly licensed, leased or supplied under IT Contracts to, a Group Member. All of the IT Systems are maintained and supported by a Group Member or by a third party under an IT Contract. No IT Systems are shared with or used by any other Person (other than a Group Member). The IT Systems operate and perform as currently required to conduct the business of the Group as currently conducted and as presently contemplated to be conducted following the Closing Date. The IT Systems do not contain any malicious code. Each Group Member has implemented and maintains industry standard or better back-up, security and disaster recovery technology consistent in all material respects with applicable regulatory standards and customary industry practice.

4.15 Employees and Corporate Officers

(a) **Schedule 4.15(a)** of the Disclosure Schedule contains a complete and accurate list of the following information for each employee of the Group: job title, work location, date of hire, status, the type of agreement entered into (fixed term / permanent term / secondment agreements), current gross annual salary, bonuses, incentive compensation and other benefits.

(b) Each Group Member complies with the Law, the applicable collective bargaining agreements, any company agreements, unilateral undertakings and usages whatsoever applicable to it, particularly as regards its employees, any non-salaried workers, any employees put at its disposal in the context of a loan of employment, seconded or expatriated employees, employee representative bodies, the URSSAF social security organization and pension schemes and mutual fund bodies, including (without limitation) those applicable to working hours, overtime, health and safety, pension and mutual fund guarantees, fair employment, equal opportunity or similar matters and has maintained suitable records regarding the service and terms and conditions of employment of each employee and former employee (on both individual and collective level). Each Group Member has duly submitted the required returns – which did not contain any errors or omissions – to the competent Governmental Authorities on time, as required by the Law; and each of these returns is true and accurate, and does not contain any error or omission. A list of all of the company-wide agreements entered into by the Group Member, applicable unilateral undertakings and usages is attached hereto as **Schedule 4.15(b)** of the Disclosure Schedule.

(c) The employment contracts that are binding on each of the Group Members comply with the Laws in force and with the applicable collective bargaining agreements and collective agreements, and are performed by the parties on the applicable terms.. There is no dormant employment contract.

(d) The collective bargaining agreement applicable within the Group Members is: *Convention collective nationale des ingénieurs et des cadres de la métallurgie du 13 mars 1972. Etendue par arrêté du 27 avril 1973*.

(e) Save as stipulated in **Schedule 4.15(e)** and other than in the Ordinary Course of Business:

- none of the Group Members agreed or received a request to agree a consensual termination, or informed any of its employees or non-salaried workers of the termination of their employment contract, either unilaterally or by joint agreement with the relevant employee; and
- none of the Group Members has received notice of any resignation (or notice of the unilateral termination of any contract with a self-employed individual) from any employee.

(f) No Group Member is currently in the process of hiring any employee, manager or corporate officer.

(g) The foreign employees of the Group Member have all the valid documents, permits and authorizations permitting them to stay in the countries where the Group operates and to perform salaried work for the Group Member, and the Group Member have always duly submitted the required returns.

(h) Each Group Member has duly paid all of the contributions payable in connection with all mutual fund and social security schemes and to all social security bodies.

(i) The salaries, commissions, benefits whatsoever and benefits in kind and other remuneration or payments (including expense reimbursements) owing to the Group Members' employees have been paid in full by each of the Group Members and are tax-deductible. The pension and employment/social security allowances (such as profit shares) payable now by any of the Group Members and the benefits in kind and other benefits granted to the employees, managers and/or corporate officers of any of the Group Members (including any company cars, etc.) for which any of the Group Members is liable now have been duly paid in full, adequately provisioned in the Financial Statements and/or booked as off-balance sheet commitments in the said Financial Statements.

(j) There are no loans or guarantees made by the Group Members to or for the benefit of any of the employees or any persons connected with them.

(k) None of the Group Members is a party to any employment or social security dispute with any of its employees or former employees, any union, any other employee organization and/or any competent Governmental Authority (including dispute with the social security authorities ("URSSAF") and the labour Inspector). No employment or social security dispute is pending between any of the Group Members and any Governmental Authority, any union, any other employee organization, any independent contractor or non-salaried worker and/or any employee or former employee of the Group Members.

(l) The pension plans, compulsory and optional profit-sharing agreements, company savings plans and mutual fund agreements of which the employees of each of the Group Member have the benefit are managed in accordance with the Law and applicable collective bargaining agreements. No obligation, other than statutory obligations, exists towards the Group Members' employees in respect of pension. No employee of the Group Members benefits from a supplementary retirement scheme ("retraite chapeau").

(m) None of the Group Members uses the services of any commercial agent or sales representative, and as none of their employees or non-salaried workers are commercial agents or sales representatives. Likewise, the Group Members confirm that none of its employees has the status of travelling sales representative (for instance in France the so-called "*Voyageurs- Représentants Placiers*").

(n) None of the Group Members is contractually required to increase the remuneration, pensions and/or benefits of any employee, manager or corporate officer. None of the Group Members has made any undertaking not to terminate the office of or dismiss any employee, manager or corporate officer. None of the Group Members has granted any employee, manager or corporate officer any benefit that would fall due as a result of the Acquisition, with the exception of the proceeds of the sale of the Purchased Shares.

(o) None of the Group Members is bound by any obligation whatsoever to former employees, including any obligation to pay salaries or compensation.

(p) None of the Group Members' current or former employees, non-salaried workers, managers or corporate officers have the benefit of any provisions, should their relationship with the relevant Group Member change or be terminated, that would require any of the Group Members to pay any amount higher than the amounts required by the Law and/or collective bargaining agreements.

(q) All employees of the Company have been informed of their right to make an offer to buy the Company and have expressly waived such right in writing, in accordance with article L. 23-10- 7 et seq. of the French Commercial Code (*Code de commerce*).

4.16 Obligations to Related Parties

There are no Contracts or obligations between a Group Member, on the one hand, and officers, directors, shareholders (including the Sellers) or Affiliates of another Group Member (or to any member of his/her immediate family), on the other hand, other than (a) for payment of salary for services rendered; (b) reimbursement for reasonable expenses incurred on behalf of a Group Member; and (c) for other standard employee benefits made generally available to employees. None of the officers, directors or Key Employees of the Group or any members of their immediate families, is indebted to the Group or, to the Company's Knowledge, has any direct or indirect ownership interest in any firm or corporation with which a Group Member is affiliated or with which the Group Member has a business relationship, or any firm or corporation that competes with the Group, other than passive investments in companies publicly traded (representing less than one percent (1%) of such company) which may compete with the Group. No officer, director, shareholder, or any member of their immediate families, or Affiliate of the Group is, directly or indirectly, interested in any Material Contract with a Group Member (other than such contracts as relate to any such Person's ownership of equity securities of the Company).

4.17 Key Suppliers and Customers

(a) **Schedule 4.17(a)** of the Disclosure Schedule sets forth the top ten (10) suppliers and the top ten (10) customers and/or distributors to whom a Group Member has paid consideration for goods or services rendered, or received consideration for goods or services rendered for the fiscal year ending December 31, 2019, or the fiscal year ending December 31, 2018. There has not been a significant decline in the commercial working relationship of the Group Members with each such of the supplier and customer (including distributors). None of the Group Members have received any written notice that any supplier or customer set forth in **Schedule 4.17(a)** of the Disclosure Schedule has ceased, or intends to cease, to supply goods or services to, or purchase goods or services from, as the case may be, a Group Member or to otherwise terminate or materially reduce its relationship with a Group Member.

(b) All Contracts between the Company and any of its suppliers, customers, distributors, agents, licensees or franchisees have been entered into under normal market conditions and trade practices and in compliance with applicable Law.

(c) No events or circumstances, other than those that may arise from the general economic situation which may affect the Company's ability to supply their customers or be supplied by their suppliers have occurred or are about to occur. The Group is not reliant on any single customer, distributor or supplier.

4.18 Inventory

The inventories of the Group are in good and marketable condition, and are usable and of a quantity and quality saleable in the ordinary course of business consistent with past practices. The inventories of each Group Member set forth in the Financial Statements were properly stated therein in accordance with French GAAP, consistently applied. Adequate reserves have been reflected in the Financial Statements for obsolete, excess, damaged, slow-moving or otherwise unusable inventory, which reserves were calculated in a manner consistent with past practice and in accordance with French GAAP, consistently applied. The inventories of each Group Members constitute sufficient quantities for the normal operation of each product line in accordance with past practice of such product line.

4.19 Compliance with Anti-Bribery Law

(a) None of the Group Members, nor any of its Affiliates, directors, officers, employees, or any holders of its equity securities or rights to purchase its equity securities (acting in such capacity), or third-party agents of affiliates acting on behalf of a Group Member, has (the following clauses (i)-(iv), collectively, the "**Anti-Corruption Rules**"):

(i) made, authorized, offered or promised to make any payment, gift or transfer of anything of value, directly, indirectly or through a third party, to or for the use or benefit of any Official for the purpose of (a) influencing any act, decision, or failure to act by an Official in his or her official capacity; or (b) inducing such Official to use his or her influence with any Governmental Authority to affect any act or decision of the Governmental Authority in order to obtain, retain, or direct business or secure an improper advantage;

(ii) made, authorized, offered or promised to make any payment, gift or transfer of anything of value (including meals or entertainment), directly, indirectly or through a third party, to an Official or another individual in exchange for (or as a reward for) improper performance or lack of performance of a Governmental Authority function or activity or some other relevant function or activity;

(iii) made, authorized, offered or promised to make any payment, gift or transfer of anything of value, directly, indirectly or through a third party, to anyone with reason to believe that all or part of the thing of value would be used for a type of payment, gift or transfer described in paragraph (a)(i) or (a)(ii) of this Section 4.19;

(iv) requested, accepted or agreed to accept a financial or other advantage, either directly or through a third party, in exchange for (or as a reward for) improper performance of a relevant function or activity;

(v) made, authorized, offered or promised to make any unlawful bribe, rebate, payoff, influence payment or kickback or has taken any other action that would violate any Anti-Bribery Law; or

(vi) used funds or other assets, or made any promise of undertaking in such regard, for establishment or maintenance of a secret, unrecorded or improperly recorded fund.

(b) Each Group Member maintains books, records, and accounts that, in reasonable detail, accurately and fairly reflect its transactions and dispositions of its assets, and maintains a system of internal accounting controls sufficient to provide reasonable assurances that (i) its transactions are executed and its funds are expended in accordance with its management's authorization; (ii) its transactions are recorded as necessary to permit preparation of its financial statements in conformity with French GAAP; and (iii) access to its assets is permitted in accordance with its management's authorization.

(c) No Group Member over the past five (5) years has been the subject of, is currently the subject of any past or current Action in connection with any Anti-Bribery Law, nor is there any pending Group voluntary disclosure to any Governmental Authority in connection with any Anti- Bribery Law.

(d) The Group's business is conducted in compliance with all Anti-Bribery Laws to which it is subject.

(e) Each Group Member has implemented and enforced a compliance program and procedures that are reasonably effective at preventing and detecting violations of law and the requirements set forth in this Section 4.19.

4.20 Sanctions and Export Controls

(a) Each Group Member is in compliance, and has complied, with Export Controls and Sanctions, respectively.

(b) No Group Member, and no director, officer, employee, agent, consultant or other Person acting for or on behalf of a Group Member is a Restricted Party or is owned or controlled by or acting on behalf of a Restricted Party.

(c) Over the past five (5) years, no Group Member and, to the Company's Knowledge, no Persons acting for or on behalf of a Group Member, has engaged in, and is now engaged in, any dealings or transactions with a Restricted Party, or in any other transaction, that could reasonably be expected to result in any Party to this Agreement being in breach of any Sanctions.

(d) No Group Member over the past five years has been the subject of, is currently the subject, of any past or current Action in connection with Sanctions or Export Controls, respectively, nor is there any pending Group voluntary disclosure to any Governmental Authority in connection with Sanctions or Export Controls, respectively.

(e) Over the past five (5) years, none of the Group Members has received a written notice of any violation of Sanctions or Export Controls.

(f) Each Group Member establishes and maintains a compliance program and reasonable internal controls and procedures designed to comply with the requirements of Sanctions and Export Controls.

4.21 Foreign Investment Clearance

(a) No French Group Member holds a national defense secrecy accreditation.

(b) None of the materials and equipment produced or marketed by the French Group Members constitute dual use goods within the meaning of the EU Regulation No. 428/2009, or military materials within the meaning of the French Defense Code.

4.22 Environmental Matters

The Group Members (i) are in compliance with the ISO 140001 standard and (ii) have always been satisfactory to their customers in the context of environmental audits carried out by their customers.

4.23 Insurance

(a) **Schedule 4.23(a)** of the Disclosure Schedule sets forth an accurate and complete list all insurance policies maintained by, at the expense of or for the benefit of each Group member as of the date of this Agreement (the "**Insurance Policies**"). All such Insurances Policies are from reputable insurers and are of the type and in amounts customarily carried by Persons conducting businesses similar to those of the Group Members and provide relevant coverage of the Group as customary for the business and operations of the Group.

(b) The Insurance Policies are in full force and effect and none of the Group Members or Seller is in default with respect to its payment obligations under any such Insurance Policies.

(c) No Insurance Policy provides for any retrospective premium adjustment or other experience based liability on the part of any Group Member and none of the Group Members has received a written notice of cancellation or non-renewal of, any Insurance Policy.

(d) **Schedule 4.23(d)** of the Disclosure Schedule sets forth an accurate and complete list of all pending claims and all claims made under the Insurance Policies. No insurer has refused to insure any of the Group Members in the last two (2) years.

4.24 Bank Accounts, Powers of Attorney

Schedule 4.24 of the Disclosure Schedules sets forth the following details of all bank accounts maintained by any Group Member with any financial institution: (i) the name of the bank or other financial institution at which such account is maintained; (ii) any loans and credit facilities obtained in such account and the balance thereof; (iii) the account number; (iv) the type of account; and (v) the names of all Persons who are authorized to act in the account and sign checks or other documents with respect to such account.

4.25 Brokers or Finders

No broker, finder, agent or similar intermediary has acted for or on behalf of a Group Member in connection with this Agreement or the transactions contemplated hereby and thereby, and no broker, finder, agent or similar intermediary is entitled to any broker's, finder's or similar fee or other commission in connection therewith based on any agreement, arrangement or understanding with any Group Member.

4.26 Privacy and Data Security

(a) The Company and the Sellers have provided to Purchaser true and correct copies of Data Privacy Laws related documents adopted by the Group Members in connection with their operations. To the Individual Sellers' Knowledge, each Group Member has initiated several actions to comply with Data Privacy Laws.

(b) To the Individual Sellers' Knowledge, and except for the cyberattack suffered by the Company between January 17, 2021 and January 18, 2021, as described in the report of *Access Ingénierie Informatique* dated February 1, 2021 attached in **Schedule 4.26(b)(i)** of the Disclosure Schedule, for which (i) a complaint was filed (*dépôt de plainte*) by Mr. Carl Putman at the Gendarmerie Nationale – 20, rue du Presbytère – 69530 Brignais on January 18, 2021, (ii) a *notification de violation de données personnelles* was filed with the CNIL on February 4th, 2021 and (iii) and all corrective measures to be taken before the Closing Date pursuant to the corrective action plan attached in **Schedule 4.26(b)(ii)** of the Disclosure Schedule will be implemented before the Closing Date, there have not been any incidents of, or third party claims alleging, (i) Security Breaches, unauthorized access or unauthorized use of any the Group Members' IT Systems; or (ii) loss, theft, unauthorized access or acquisition, modification, disclosure, corruption, or other misuse of any Personal Information in the Group Members' possession, or other confidential data owned by the Group Members (or provided to the Group Members by their customers) in the Group Members' possession. None of the Group Members has notified in writing, or to the Individual Sellers' Knowledge, been required by applicable Law or a Governmental Authority to notify in writing, any Person of any Security Breach. To the Individual Sellers' Knowledge, none of the Group Members has received any notice of any claims, investigations (including investigations by a Governmental Authority), or alleged violations of Laws with respect to Personal Information possessed by the Group Members.

4.27 Governmental Grants

(a) **Schedule 4.27(a)** contains a complete and accurate list of the following information for each Governmental Grant that is currently in effect with respect to a Group Member: (i) the total amount of the benefits approved for and received by the applicable Group Member under such Governmental Grant and the total amount of the benefits available for future use by any Group Member under such Governmental Grant; (ii) the time period in which any Group Member received, or will be entitled to receive, benefits under such Governmental Grant; (iii) the type of revenues based on which royalty or other payments are required to be made under such Governmental Grant; (iv) the total amount of any payments made by the Group Member prior to the date of this Agreement with respect to such Governmental Grant; (v) a list of the Company Intellectual Property developed based on such Governmental Grants and products which incorporate such Company Intellectual Property; and (vi) any restrictions with respect to the use, sale, license, assignment, lease, transfer or securitization of any Company Intellectual Property listed in column (v) hereof or of manufacturing that contains any such Company Intellectual Property.

(b) There are no pending applications for Government Grants by any Group Member. The Sellers have made available to the Purchaser accurate and complete copies of (i) all certificates of approvals and letters of approval (and supplements thereto) granted to the Group Members by the European Commission or by any other Governmental Authority in connection with a Governmental Grant, and any undertakings of a Group Member in connection with any Governmental Grant; and (ii) any other material documents relating to any Governmental Grant. Except for undertakings set forth in letters of approvals, provided under any applicable Law, there are no undertakings of any Group Member given in connection with any Governmental Grant. The Group Members are and have been in compliance, in all material respects, with the terms, conditions, requirements and criteria of any Governmental Grants (including any reporting requirements) and any applicable Laws in connection thereto, and have duly fulfilled the conditions, undertakings, reporting and other obligations relating thereto except for any non-material non-compliance or non-fulfillment that would not result in any material Liability or loss to the Group. To the Individual Sellers' Knowledge, no event has occurred, and no circumstance or condition exists, that could reasonably be expected to give rise to (A) the annulment, revocation, withdrawal, suspension, cancellation, recapture or material modification of any Governmental Grant; (B) the imposition of any material limitation on any Governmental Grant or any material benefit available in connection with any Governmental Grant; (C) a requirement that a Group Member return or refund any material benefits provided under any Governmental Grant; or (D) an acceleration or increase of royalty payments obligation (including total royalty amount and royalty rate), or obligation to pay additional payments to any Governmental Authority other than ongoing royalty payments, in each case, in a material amount.

(c) None of the Group Members has received any notice or other written communication from any Governmental Authority regarding: (i) any actual or possible violation of or failure to comply with any term or requirement of any Governmental Grant; or (ii) any actual or possible revocation, withdrawal, suspension, cancellation, termination or material modification of any Governmental Grant. To the Individual Sellers' Knowledge, no Group Member is under an audit regarding any Governmental Grant and there are no controversies or disputes with any such authority regarding any Governmental Grant.

(d) The execution of this Agreement and the consummation of the transactions contemplated hereby (i) will not materially and adversely affect the ability of any Group Member to obtain the benefit of any Governmental Grant for the remaining duration thereof or require any recapture of any previously claimed incentive; and (ii) will not result in (A) the failure of any Group Member to comply with any of the terms, conditions, requirements and criteria of any Governmental Grant or any, applicable Laws or guidelines; or (B) any claim by any Governmental Authority or other person that a Group Member is required to return or refund, or that any Governmental Authority is entitled to recapture, any benefit provided under any Governmental Grant or that any Group Member is required to pay any other amount to any Governmental Authority or other person due to this Agreement and the other transactions contemplated by this Agreement. Except as disclosed in **Schedule 4.27(a)**, there exists no prohibition or restriction by any Governmental Authority on the use, sale, license, assignment, lease, transfer or securitization of any Company Intellectual Property or any of the Group's products in any jurisdiction in which a Group Member currently conducts or has conducted business or on the export, import or relocation of any such Company Intellectual Property Rights or any of the Group's products from or to any jurisdiction.

4.28 Full Disclosure

The Company and the Sellers have provided the Purchaser with all information the Purchaser has requested (whether orally or in writing). Neither this Agreement (including the Schedules hereto) nor any certificates made or delivered in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements herein or therein not misleading, in view of the circumstances in which they were made. The Individual Sellers are not aware of any fact that has specific application to the Sellers or the Group (other than general economic or industry conditions) and that materially adversely affects or, as far as the Individual Sellers can reasonably foresee, materially threatens the assets, business, prospects, financial condition, or results of operations of the Group that has not been set forth in this Agreement or the Disclosure Schedule.

4.29 No Implied Representations

Notwithstanding anything to the contrary contained herein (i) none of the Sellers, its Affiliates the Company, directors, employees or any other representative shall be deemed to make to the Purchaser or its Affiliates any representation or warranty other than as expressly made by the Sellers and the Company in Articles 3 and 4 of this Agreement, in the Disclosure Schedule and the other schedules attached to this Agreement and/or in any certificate furnished by the Company and/or the Sellers pursuant to this Agreement; and (ii) the Company and the Sellers disclaim, on behalf of the Company, the Sellers, and their respective Affiliates any other representations or warranties, whether made by the Company, the Sellers or any of their respective Affiliates or representatives or any other Person; and (iii) the Company and the Sellers disclaim, on behalf of the Company, the Sellers, and their respective Affiliates and representatives, all liability and responsibility for any other representation, warranty, opinion, projection, forecast, advice, statement or information made, communicated or furnished (orally or in writing) to Purchaser or its Affiliates or representatives not contained in this Agreement, in the Disclosure Schedule and the other schedules attached to this Agreement and/or in any certificate furnished by the Company and/or the Sellers pursuant to this Agreement. The Sellers acknowledges and agrees that the Purchaser has based its decision to consummate the transactions contemplated hereby solely pursuant to the representations and warranties of the Sellers and the Company set forth in Articles 3 and 4, as modified by the Disclosure Schedule and no due diligence or other review process by the Purchaser or any disclosure by the Sellers or the Company (and not otherwise disclosed in the Disclosure Schedule in the manner set forth herein) shall in any way limit its rights to indemnification pursuant to Article 9. To the Purchaser's Knowledge, as of the date hereof, the Purchaser has no known basis for filing a claim pursuant to Article 9.

5. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Sellers (and acknowledges that these representations and warranties were delivered to the Sellers as an inducement to enter into this Agreement in reliance upon such representations and warranties), as of the date of this Agreement and (unless otherwise specified) as of the Closing Date, as follows:

5.1 Organization, Good Standing and Power

The Purchaser is duly organized, validly existing and in good standing and has all requisite corporate power and authority to execute, deliver and perform its obligations under this

Agreement.

5.2 Authority; Execution and Delivery; Enforceability

The Purchaser has full power and authority to, and have taken all corporate and other action necessary to, execute and deliver this Agreement and all other instruments and agreements to be delivered by the Purchaser, as the case may be, as contemplated hereby and to perform its obligations hereunder and thereunder and to consummate the Acquisition and the other transactions contemplated hereby. The execution, delivery and performance by the Purchaser of this Agreement and all other instruments and agreements to be delivered by the Purchaser as contemplated hereby and the consummation by the Purchaser of the Acquisition and the other transactions contemplated hereby, and performance by the Purchaser hereunder, have been, and in the case of documents required to be delivered at the Closing will be, duly authorized and approved by all necessary corporate, or other, action, and no further action is required in connection therewith. The Purchaser has duly executed and delivered this Agreement, and will duly execute and deliver all other instruments and agreements to be executed and delivered by the Purchaser as contemplated hereby. This Agreement and all other instruments and agreements to be delivered by the Purchaser as contemplated hereby constitutes the Purchaser's legal, valid and binding obligation, enforceable against it in accordance with its terms, except to the extent that such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally, and by principles of equity regarding the availability of remedies (whether in a proceeding at law or in equity).

5.3 No Conflicts; Consents

The execution and delivery by the Purchaser of this Agreement and all other instruments and agreements to be delivered by the Purchaser as contemplated hereby does not, and the consummation of the Acquisition and the other transactions contemplated hereby and thereby, and the compliance by the Purchaser with the terms hereof and thereof, and performance by the Purchaser hereunder and thereunder, will not, conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, any provision of: (a) the governing documents of the Purchaser as amended to the date of this Agreement; (b) any judgment applicable to the Purchaser or its properties or assets; or (c) any applicable Law, other than, in the case of clauses (b) and (c) above, any such items that, individually or in the aggregate, have not had and would not reasonably be expected to have an adverse effect on the Purchaser's ability to consummate the Acquisition and the other transactions contemplated hereby. Except for the filing of such notices as may be required under applicable securities laws, no consent, approval, license, permit, order or authorization of, or registration, declaration or filing with, any Governmental Authority or any other Person is required to be obtained or made by or with respect to the Purchaser in connection with the execution, delivery and performance of this Agreement or the consummation of the Acquisition or the other transactions contemplated hereby.

5.4 Litigation

There is no Proceedings pending or, to the knowledge of the Purchaser, threatened against the Purchaser which seeks to prevent or delay the consummation of the Acquisition and the other transactions contemplated hereby.

5.5 Investment Intent; Restricted Securities

The Purchaser is acquiring the Purchased Shares solely for the Purchaser's own account, for investment purposes only, and not with a view to, or with any present intention of, reselling or otherwise distributing the Purchased Shares or dividing its participation herein with others.

5.6 Solvency of the Purchaser and Related Matters

The Purchaser is consummating the Acquisition and the other transactions contemplated hereby in good faith, for a legal and valid business reason, and not with any intent to hinder, delay or defraud any entity to which the Purchaser is, intends to be or believes that the Purchaser will become, indebted. The Purchaser is paying the Closing Date Payment for the consummation of the Acquisition and the other transactions contemplated hereby, and has not thereby paid more than reasonably equivalent value or fair consideration in exchange of the Purchased Shares subject to the adjustment and indemnification rights hereunder (including with respect to diminution of value). Both immediately prior to and immediately after the consummation of the Closing, the Purchaser has not incurred debts, does not intend to incur debts and does not believe that it has incurred debts that would reasonably be expected to have an adverse effect on the Purchaser's ability to consummate the Acquisition and the other transactions contemplated hereby.

5.7 Compliance with Anti-Bribery Law

No part of the payments made by the Purchaser, directly or indirectly, to any party in connection with the Acquisition, will be made in contravention of the provisions of any Anti-Bribery Laws to which the Purchaser is subject.

5.8 Brokers or Finders

The Purchaser has not incurred, and will not incur, directly or indirectly, as a result of any action taken by the Purchaser, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with this Agreement or any of the transactions contemplated hereby except those to be paid entirely by the Purchaser.

6. COVENANTS AND ADDITIONAL PROVISIONS.

6.1 Business Combination

(a) The Purchaser contemplates, as promptly as practicable after the date of this Agreement: (i) entering into a business combination agreement pursuant to which a third party company listed on the NASDAQ Stock Market shall combine with the Purchaser (the "**Combined Company**") with the Combined Company being a listed company and its shares of common stock traded on the NASDAQ Stock Market (the "**Exchange Shares**"); and (ii) having the Exchange Shares and shares of the Combined Company Common Stock issuable in connection with this Agreement approved for listing on the NASDAQ Stock Market (subject to official notice of issuance) ((i) and (ii) shall be referred as the "**Business Combination**").

(b) Notwithstanding the foregoing, and in connection with the consummation of the Business Combination, the Combined Company shall issue shares of the Combined Company in a private placement pursuant to subscription agreements in a customary form and at a price per share of the Combined Company Common Stock to be determined by the Combined Company and the investors therein (the "**Private Placement**" and the "**PIPE PPS**", respectively).

(c) With respect to the Business Combination, Private Placement and the listing of the Exchange Shares and Combined Company Common Stock or any other statement, filing, notice or application to be made by or on behalf of the Purchaser or Combined Company to any Governmental Authority or other third party in connection with any of the foregoing and any other transaction contemplated hereby, the Sellers and the Company will (i) cooperate with Purchaser, and its advisors, as requested by the Purchaser, and the Individual Sellers will receive information on the progress of the Business Combination at reasonable intervals and as reasonably requested; (ii) promptly furnish to the Purchaser all true, correct, and complete information (financial and otherwise) concerning the Company, the Group Members and its shareholders and such other matters as may be required or reasonably requested with the preparation of such materials; and (iii) deliver to the Purchaser such other instruments and documents, including, without limitation, any lock up agreements in customary form, as may be required in connection with the consummation of the transactions contemplated hereby. The Sellers and the Company further covenant and agree that the information to be furnished by them and their representatives will not, at the time that any registration statement on Form S-4 is filed with the U.S. Securities Commission (the "**SEC**") in connection with the Business Combination (the "**Registration Statement**") or any amendment or supplement thereto is filed with or submitted to the SEC or is first mailed to Purchaser or Combined Company shareholders, at the time of the Purchaser's or Combined Company's shareholders' meeting relating to the Business Combination, cause the Registration Statement to contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(d) As promptly as reasonably practicable following the date of this Agreement, the Company will furnish to the Purchaser (i) audited financial statements for the years ended 2020 and 2019 (the "**Company Audited Financial Statements**"), and unaudited interim financial statements for each interim period completed prior to Closing that would be required to be included in the Registration Statement or any periodic report due prior to the Closing if the Company were subject to the periodic reporting requirements under the Securities Act of 1933, as amended or the Securities and Exchange Act of 1934, as amended (the "**Company Interim Financial Statements**"), each such Company Interim Financial Statements to be furnished to Purchaser no later than forty-five (45) days following the end of the interim period to which such Company Interim Financial Statements relate. Each of the Company Audited Financial Statements and the Company Interim Financial Statements will be suitable for inclusion in a Registration Statement and prepared, under coordination of the Purchaser, in accordance with US GAAP and US GAAS or PCAOB (it being specified that fifty percent (50%) of any related costs and expenses shall be paid by the Purchaser (or by the Company on the Purchaser's behalf post-Closing), and fifty percent (50%) shall be paid by the Company (for the sake of clarification, such fifty percent (50%) to be paid by the Company shall be excluded from the calculation of the Closing Date Payment Amount)), as required, as applied on a consistent basis during the periods involved (except in each case as described in the notes thereto) and on that basis will present fairly, in all material respects, the financial position and the results of operations, changes in stockholders' equity, and cash flows of the Company as of the dates of and for the periods referred to in the Company Audited Financial Statements or the Company Interim Financial Statements, as the case may be.

6.2 Conduct of Business

(a) Except as expressly required by the terms of this Agreement, including in connection with the Business Combination and Listing, or as otherwise consented to in writing by the Purchaser (which consent shall not be unreasonably withheld, conditioned or delayed), from the date of this Agreement to the Closing, the Sellers shall, and shall cause each Group Member to, conduct and operate the business of the Group (including its working capital and cash management practices) in the usual, regular and ordinary course of business in substantially the same manner as previously conducted and, to the extent consistent therewith, the Sellers shall use their commercially reasonable efforts to keep available the services of the Group's officers and employees and keep intact the business of the Group and preserve the Group's relationships with the customers, licensors, distributors vendors, and others with whom they deal. In addition (and without limiting the generality of the foregoing), the Sellers shall not permit the Group to do (or suffer to exist), any of the following with respect to the Group between the date hereof and the Closing Date without the prior written consent of the Purchaser (which consent shall not be unreasonably withheld, conditioned or delayed):

(i) amend or otherwise modify in any respect the organizational document of any Group Member;

(ii) terminate or fail to exercise any right of renewal with respect to any material Permits contemplated by Sections 4.6;

(iii) declare, pay or set aside any dividend or make any distribution (other than dividends or distributions by any Subsidiary of the Company to the Company or any other Subsidiary of the Company) (A) of Cash; or (B) with respect to, or reclassify, combine, split, subdivide or otherwise amend the terms of, or redeem, repurchase or otherwise acquire, directly or indirectly, any of its voting interests, equity or debt securities (or securities convertible into, or exercisable or exchangeable for equity or debt securities), or make any other change in the capital structure of any Group Member;

(iv) either: (A) issue, sell, pledge, grant, transfer or otherwise dispose of (or authorize the issuance, sale, pledge, grant, transfer or other disposition); or (B) create, permit, allow or suffer to exist any Lien in respect of: (I) any shares or other ownership or voting interest in, a Group Member or any other securities convertible into or exchangeable or exercisable for any shares of a Group Member (or derivative securities thereof); or (II) any options, warrants or other rights of any kind to acquire any shares of a Group Member, or any other ownership or voting interest (including any phantom interest), of a Group Member;

(v) hire, appoint or amend any employment contract (including the termination of an employment contract other than routine employee termination for cause), change the remuneration, the benefits in kind or any other individual or collective right of one or more management executives, employees, officers or any consultant of any of the Group Members other than in the ordinary course of business consistent with past practices;

(vi) incur or assume any Indebtedness or guarantee any Indebtedness, or issue any debt securities, or assume, guarantee or endorse, or otherwise as an accommodation become responsible for, the obligations of any Person, or otherwise make any loans or advances;

(vii) sell, transfer, lease, license or otherwise dispose of (A) any real or personal property or other assets of the Group (other than inventory in the ordinary course of business); or (B) any Company Intellectual Property, other than granting non-exclusive licenses to use the Company Intellectual Property to third parties who are providing services to a Group Member for the sole purpose of providing such services and where such license is not included in an agreement, if entered into as of the date hereof, would otherwise be a Material Contract;

(viii) fail to timely pay any application, maintenance, renewal or similar fees that are due in respect of the registered or applied for Material Owned IP or otherwise allow any registered Material Owned IP to lapse;

(ix) create any Lien that would have been required to be disclosed in **Schedule 4.13(a)** of the Disclosure Schedule if existing as of the date of this Agreement;

(x) wind-up, dissolve or initiate, or cause to be initiated, any bankruptcy, insolvency or liquidation proceeding;

(xi) make any payment or transfer any assets to, or enter into any contract with, the Seller or any Affiliate of the Seller;

(xii) make any change with respect to any Group Member's accounting practices, policies, principles, methods or procedures, including revenue recognition policies, other than as required by French GAAP or as required to comply with Section 6.1 above (such as applying US GAAP to the Group's financial statements);

(xiii) make any change to the Group's policies, principles, methods or procedures with respect to the maintenance of its working capital, including with respect to levels of inventory and the obsolescence thereof, terms of credit and payment to suppliers and other accounts payable, collection and other payment terms with customers and distributors and other accounts receivable;

(xiv) make, revoke or change any Tax election, adopt or change any Tax accounting method, practice or period, grant or request a waiver or extension of any limitation on the period for audit and examination or assessment and collection of Tax, file any amended Tax Return or settle or compromise any contested Tax liability;

(xv) whether by merger, consolidation, reorganization, acquisition of stock or assets, license or otherwise, in a single transaction or a series of related transactions, acquire any interest in any Person or any division thereof, or enter into any contract, letter of intent or similar arrangement (whether or not enforceable) with respect to the foregoing;

(xvi) amend, modify, terminate, cancel or request any modification or amendment to, or agree to any of the foregoing in respect of any Material Contract, or enter into any contract that would, if entered into as of the date hereof, be a Material Contract (other than non-exclusive licenses permitted under Section 6.2(a)(vii)(B));

(xvii) except as required by French GAAP or US GAAP, revalue any of its assets (including without limitation writing down the value of inventory or writing-off notes or accounts receivable) other than in the ordinary course of business;

(xviii) form a Subsidiary or otherwise make any modifications or changes to the organizational structure of the Group;

(xix) pay, discharge, settle or satisfy any actions, claims, litigation, arbitration or Liabilities (including with respect to any of the matters set forth in **Schedule 4.11** of the Disclosure Schedule), other than payments, discharges, settlements or satisfactions in the ordinary course of business and consistent with past practice of Liabilities reflected or reserved against in the Financial Statements;

(xx) make any loans, advances or capital contributions to, or investments in, any other Person, other than loans, advances or capital contributions to the Company or any Group Member, to any direct or indirect Subsidiary of the Company;

(xxi) accelerate or defer any material obligation or payment by a Group Member, or fail to pay any accounts payable or other obligations of a Group Member when due, unless contested in good faith;

(xxii) fail to keep in full force and effect, supplement, restate or amend, or waive any rights under, the Insurance Policies, or reduce the amount of any insurance coverage provided by any Insurance Policy or agree to settle any claim under any of the Group's existing Insurance Policies;

(xxiii) discontinue any line of business or part thereof;

(xxiv) file with, communicate, or apply to, any Governmental Authority, other than in the ordinary course of business and consistent with past practice or as otherwise explicitly provided hereunder;

(xxv) except than in the ordinary course of business, enter any Contract that restricts the conduct of the business of a Group Member, such as exclusivity, commitment to minimum purchase levels, non-compete or purchasing from a single source;

(xxvi) enter any agreements or take any actions which are listed in Section 4.8; or

(xxvii) enter into any contract or commit or agree (whether or not such contract, commitment or agreement is legally binding) to do any of the foregoing.

(b) The Sellers shall promptly advise the Purchaser in writing upon learning of the occurrence of any matter or event that is in violation of Section 6.2(a).

(c) The Seller shall keep, or cause each Group Member to keep, all insurance policies currently maintained with respect to the Group and its respective assets and properties, or suitable replacements or renewals, in full force and effect through the close of business on the Closing Date.

6.3 No Solicitation of Other Bids

From the date hereof until the earlier of the Closing or the termination of this Agreement pursuant toArticle 8, the Sellers shall not, and shall not authorize or permit any Group Member or its respective Affiliates or any of their respective representatives to, directly or indirectly: (i) approve, encourage, solicit, initiate, facilitate or continue inquiries regarding an Acquisition Proposal; (ii) enter into discussions or negotiations with, or provide any information to, any Person concerning a possible Acquisition Proposal; or (iii) enter into any agreements or other instruments (whether or not binding) regarding an Acquisition Proposal. The Sellers shall immediately cease and cause to be terminated and shall cause each Group Member and its respective Affiliates and any of their respective representatives to immediately cease and cause to be terminated, all existing discussions or negotiations with any Persons conducted heretofore with respect to an Acquisition Proposal. The Sellers will notify the Purchaser, as soon as practicable, if any Person makes any proposal, offer, inquiry to, or contact with, any Seller or a Group Member, as the case may be, with respect to an Acquisition Proposal and shall describe in reasonable detail the identity of any such Person and, the substance and material terms of any such contact and the material terms of any such proposal. The Sellers shall, and shall direct each Group Member and its and their respective representatives to, request the return of any due diligence materials provided to any Persons (other than the Purchaser and its Affiliates and representatives) in connection with any potential Acquisition Proposal.

6.4 Access to Information; Notice of Certain Events

(a) From the date hereof until the Closing, the Sellers shall and cause the Company to procure that each Group Member to, (i) afford the Purchaser and its representatives with the opportunity to, at the Purchaser's expense, visit and inspect each Group Member's properties; (ii) examine the books of account and records of each Group Member; and (iii) discuss the Group's affairs, finances and accounts with each Group Member's officers and employees, all at such reasonable times as may be requested by the Purchaser so as not to unreasonably interfere with the Group's business and operations, during the Sellers' or the Company's normal business hours and upon reasonable notice; provided that the Sellers shall not be obligated to provide access to any information that the Sellers determines in good faith and in consultation with its outside legal counsel would reasonably be expected to result in the loss of any attorney-client or other privilege, or would result in a violation of applicable law.

(b) From the date hereof until the earlier of the Closing or the termination of this Agreement pursuant to Article 8, each of the Sellers and the Company shall promptly notify the Purchaser of:

(i) any fact, circumstance, event or action the existence, occurrence or taking of which (A) has had, or would reasonably be expected to have, a Material Adverse Effect; (B) has resulted in any (1) representation or warranty made by the Sellers or the Company hereunder not being true and correct or (2) any covenant of the Sellers or the Company to have been breached; or (C) has resulted in, or would reasonably be expected to have, the failure of any of the conditions set forth in Section 7.2 to be satisfied;

(ii) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(iii) any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement;

(iv) any notice of, or other communication relating to, a default or event that, with notice or lapse of time or both, would become a default under any Material Contract; and

(v) any actions commenced against, relating to or involving or otherwise affecting the Sellers or the Group that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 4.11 or that relates to the consummation of the transactions contemplated by this Agreement.

(c) From the date hereof until the earlier of the Closing or the termination of this Agreement pursuant to Article 8, the Company undertakes to hire at its own and exclusive costs up to a maximum of €20,000 a computer expert (*expert informatique*) approved by the Individual Sellers and the Purchaser, it being specified that all costs related to the computer expert shall have no impact on the Purchase Price, in order to conduct investigations for the purpose of determining:

(i) the scope of the cyberattack described in Schedule 4.8(c) of the Disclosure Schedule, based on a distinction per type of data potentially compromised; and

(ii) based on such distinction, the causes, risks and adequacy of the corrective security measures implemented by the Company in relation to.

6.5 Commercially Reasonable Efforts

From the date of this Agreement until the earlier of the Closing or the termination of this Agreement pursuant toArticle 8, each Party hereto shall, and the Sellers shall cause each Group Member to, use commercially reasonable efforts to resolve any purported claims by holders of a right with respect to the Purchased Shares and take, or cause to be taken, all appropriate action, and to make, or cause to be made, all filings necessary, proper or advisable under applicable Laws and to consummate and make effective the transactions contemplated by this Agreement, including their respective commercially reasonable efforts to obtain, prior to the Closing Date, approvals of any Governmental Authorities and parties to contracts with the Group Members as are necessary for consummation of the transactions contemplated by this Agreement and to take such actions as are necessary to expeditiously satisfy the closing conditions set forth in Article 7.

6.6 Governmental Approvals and Consents

Without limiting the generality of Section 6.5:

(a) In connection with the efforts referenced in Section 6.5 and this Section 6.6 to obtain all requisite approvals and authorizations for the transactions contemplated by this Agreement, and each of the Parties shall use commercially reasonable efforts to (i) cooperate with each other in connection with any filing or submission and in connection with any investigation or other inquiry, including any proceeding initiated by a private party; (ii) keep the other parties informed in all material respects of any material communication received by such party from, or given by such party to, any Governmental Authority and of any material communication received or given in connection with any proceeding by a private party, in each case, regarding any of the transactions contemplated hereby; and (iii) to the extent permitted by law, permit the other party to review any material communication given to it by, and, to the extent practicable, consult with each other in advance of any meeting or conference with, any Governmental Authority, including in connection with any proceeding by a private party. The foregoing obligations in this Section 6.6 shall be subject to the confidentiality obligations under Section 6.9 below and any attorney-client, work product or other privilege.

(b) Without limiting the generality of Section 6.6(a), if any objections are asserted or if any suit is instituted or threatened by any Governmental Authority or any private party challenging any of the transactions contemplated hereby, then each of the Purchaser and the Sellers will promptly take and use its commercially reasonable efforts to pursue all actions necessary to eliminate any concerns on the part of, or to satisfy any conditions imposed by, any Governmental Authority with jurisdiction over the enforcement of any applicable Law regarding the legality of the Purchaser's acquisition of all or any portion of the Purchased Shares and each of the Parties will otherwise use its commercially reasonable efforts to resolve such objections or challenges as such Governmental Authority or private party may have to such transactions, including to vacate, lift, reverse or overturn any order, whether temporary, preliminary or permanent, so as to permit consummation of the transactions contemplated by this Agreement as soon as practicable. Notwithstanding anything in this Agreement to the contrary, the Purchaser and its Affiliates shall have no obligation to: (i) sell, divest, or otherwise convey (or otherwise agree to) any material amount of assets, categories, portions or parts of assets or businesses of the Group or the Purchaser or its Affiliates; (ii) license, hold separate or enter into similar arrangements with respect to any material amount of assets of the Group, or the Purchaser or its Affiliates; or (iii) materially alter, modify, terminate or cancel any existing material relationships, contracts, rights, obligations, policies or practices of the Group or the Purchaser or its Affiliates, as a condition to obtaining any such Governmental Authority approvals or otherwise.

6.7 Public Announcements

No Party shall make any public announcement in respect of this Agreement or the transactions contemplated hereby or otherwise communicate with any media without the prior written consent of the other Party, unless required by applicable law or regulations of any applicable stock exchange.

6.8 Further Assurances

Subject to Section 6.5 and Section 6.6, each Party hereto agrees to execute and deliver, by the proper exercise of its corporate, limited liability company, partnership or other powers, all such other and additional instruments and documents and do all such other acts and things as may be necessary to more fully effectuate this Agreement.

6.9 Tax Matters

(a) With respect to any Tax period of a Group Member that includes, but does not end on the Closing Date (a "**Straddle Period**") the amount of any (i) Taxes based on or measured by income, receipts or payroll; (ii) withholding Taxes; and (iii) value-added Taxes, in each case of a Group Member for the Pre-Closing Tax Period shall be determined, for the purposes of calculating the Net Working Capital, based on an interim closing of the books as of the close of business on the Closing Date and the amount of other Taxes of the Group Members for the Straddle Period that relates to the Pre-Closing Tax Period shall equal the amount of such Taxes for the entire Straddle Period multiplied by a fraction the numerator of which is the number of days in the portion of the period that ends on the Closing Date and the denominator of which is the number of days in the entire period (the "**Pre-Closing Tax Period**").

(b) The Individual Sellers and the Purchaser shall cooperate, and shall cause their Affiliates, officers, employees, agents, auditors and representative to cooperate, as reasonably required to prepare and to file all Tax Returns of the Group Members for any Straddle Period and all taxable periods ending on or before the Closing Date, the filing of which is due after the Closing Date.

(c) The Purchaser expressly agrees to bear any transfer tax or stamp tax duty (or similar) in respect of the acquisition of the Purchased Shares (as referred to article 726 under the French *Code Général des Impôts*).

6.10 Confidentiality

Each Seller acknowledges that it is in possession of non-public information concerning or relating to the business or financial affairs of the Group Members (**Confidential Material**"). Each Seller shall, and shall cause its Affiliates and representatives to, keep confidential and not divulge or make accessible to anyone all or any portion of such Confidential Material, except (i) to its advisors in such capacity as required to perform its obligations hereunder (it being understood that such Seller shall be responsible for any disclosure by any such Person not permitted by this Agreement); (ii) if requested or required by Law (subject to the conditions and limitation set forth in this Section 6.9); or (ii) with the prior written consent of the

other party, and will use such Confidential Material solely for the purpose of consummating the transactions contemplated by this Agreement and for no other purpose; provided that the Group Members may also use the Confidential Material for the purpose of operating their respective businesses in the ordinary course. If any Seller or any of its respective Affiliates or representatives are requested or required to disclose (after such Seller has used its commercially reasonable efforts to avoid such disclosure and after promptly advising and consulting with the Purchaser about such Seller's intention to make, and the proposed contents of, such disclosure) any of the Confidential Material (whether by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process), such Seller shall, or shall cause such Affiliate or representative, to provide the Purchaser with prompt written notice of such request so that the Purchaser may seek an appropriate protective order or other appropriate remedy. At any time that such protective order or remedy has not been obtained, such Seller or such Affiliate or representative may disclose only that portion of the Confidential Material which such Person is legally required to disclose or of which disclosure is required to avoid sanction for contempt or any similar sanction, and such Seller shall exercise its commercially reasonable efforts to obtain assurance that confidential treatment will be accorded to such Confidential Material so disclosed. Each Seller acknowledges that the Purchaser may provide any and all information of the Company, including this Agreement, to potential investors in the Private Placement and their representatives, provided that they are bound by a written agreement (or regulatory requirements) to abide by all the obligations concerning such information, and each Seller further agrees that any information which is required to be included in any prospectus or other public filing (including this Agreement), including of the Combined Company, may be disclosed by the Purchaser as required by applicable law and advised by the Purchaser's advisors. Further, the Company and each Seller acknowledge and agree that they are aware, and that their respective Affiliates are aware (and each of their respective representatives is aware or, upon receipt of any material non-public information, will be advised) of the restrictions imposed by U.S. federal securities Laws, including the rules and regulations of the SEC and Nasdaq Stock Market promulgated thereunder or otherwise, and other applicable foreign and domestic Laws on a Person possessing material non-public information about a publicly traded company. The Company and each Seller hereby agree that, while it is in possession of such material non-public information, it shall not purchase or sell any securities of the Combined Company (other than to engage in the transactions in accordance with Article 2 and Article 6 of this Agreement), communicate such information to any third party, take any other action with respect to the Combined Company in violation of such Laws, or cause or encourage any third party to do any of the foregoing.

6.11 Non-Competition; Non-Interference

(a) In consideration of the purchase of the Relevant Purchased Shares by the Purchaser, from the date of this Agreement until the third (3rd) year anniversary following the Closing Date, each Seller shall not, and shall cause its Affiliates not to (it being expressly specified that IDInvest and its Affiliates shall not be bound by the non-competition undertaking provided in paragraph (i) of this Section 6.11(a)):

(i) within any jurisdiction or marketing area in which a Group Member or its Affiliates are doing business, directly or indirectly own, manage, operate, control, be employed by, provide services to, consult for or participate in the ownership, management, operation or control of, or be connected in any manner with, any business of the type and character engaged in by the Group Member or its Affiliates. For these purposes, ownership of securities of two percent (2%) or less of any class of securities of a public company shall not be considered to be competition with a Group Member or its Affiliates;

(ii) persuade or attempt to persuade any potential customer or client to which a Group Member has made a presentation, or with which a Group Member has had discussions, not to enter into a commercial relationship with such Group Member, or to enter into a commercial relationship with another company; or

(iii) solicit for any Seller or any Person other than a Group Member the business of any Person which is a customer or client of any Group Member, or was its customer or client within the five (5) year period prior to the date of this Agreement or in any way interfere with the relationship between a Group Member and any such Person or business relationship (including making any negative or disparaging statements or communications about the Group).

(b) It is the desire and intent of the parties to this Agreement that the provisions of this Section 6.11 shall be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. If any particular provisions or portion of this Section 6.11 shall be adjudicated to be invalid or unenforceable, this Section 6.11 shall be deemed amended to delete therefrom such provision or portion adjudicated to be invalid or unenforceable, such amendment to apply only with respect to the operation of this Section 6.11 in the particular jurisdiction in which such adjudication is made.

(c) The Parties recognize that the performance of the obligations under this Section 6.11 by each of the Sellers is special, unique and extraordinary in character, and that in the event of the breach by the Seller of the terms and conditions of this Section 6.11, the Purchaser shall be entitled, if they so elect, to obtain damages for any breach of this Section 6.11, or to enforce the specific performance thereof by each of the Sellers or to enjoin such Seller or its respective Affiliates from performing services for any Person.

6.12 Non-Solicitation of Employees

(a) From the date of this Agreement until the third (3rd) year anniversary following the Closing Date (the "**Non-Solicit Period**"), each Seller shall not, and shall cause its respective Affiliates not to hire or knowingly solicit for employment any employee of the Group; provided that this paragraph shall not preclude each Seller or its respective Affiliates from soliciting for employment or hiring any such employee who responds to a general solicitation through a public medium or general or mass mailing by or on behalf of such Seller or any of its respective Affiliates that is not targeted at employees of the Group.

(b) From and after the Closing Date, each Seller shall not, and shall cause its respective Affiliates not to, for a period ending upon the expiration of the Non-Solicit Period, in any way employ or engage any person who is currently employed or engaged either as an employee or Contractor by any Group Member or was employed or engaged in the twelve (12) month period prior hereto.

(c) It is the desire and intent of the Parties to this Agreement that the provisions of this Section 6.12 shall be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. If any particular provisions or portion of this Section 6.12 shall be adjudicated to be invalid or unenforceable, this Section 6.12 shall be deemed amended to delete therefrom such provision or portion adjudicated to be invalid or unenforceable, such amendment to apply only with respect to the operation of this Section 6.12 in the particular jurisdiction in which such adjudication is made.

(d) The Parties recognize that the performance of the obligations under this Section 6.12 by the Sellers is special, unique and extraordinary in character, and that in the event of the breach by the Seller of the terms and conditions of this Section 6.12 to be performed by the Sellers, the Purchaser and the Company shall be entitled, if they so elect, to obtain damages for any breach of this Section 6.12, or to enforce the specific performance thereof by the Sellers or to enjoin any employees of the Sellers or their respective Affiliates from performing services for any Person.

6.13 Operation of the Group as from the Completion Date and Post-Closing Incentives Plan

(a) The Purchaser on the one hand, and the Individual Sellers, on the other hand, hereby agree that the Group shall, at any time from and after the Closing Date, be managed with a view to achieving the success of the Combined Company and the Group, taken as a whole. In addition, it is agreed that the Group shall be managed by Mr. Carl Putman, as the Chairman (*Président*), with the assistance of Ms. Catherine Robin, as the Managing Director (*Directeur Général*) of the Company, in 2021 and in 2022: (i) as regards 2021, in accordance with the 2021 Budget attached hereto as **Schedule 6.13(i)** (the "**2021 Budget**"), (ii) as regards 2022, in accordance with the 2022 Budget attached hereto as **Schedule 6.13(ii)** (the "**2022 Budget**", and collectively with the 2021 Budget, the "**Budget**"). Any amendment to the Budget shall be decided by the supervisory board of the Company. For any actions outside of the Budget, approval of the supervisory board of the Company shall be required.

(b) The supervisory board of the Company shall be comprised of four (4) members, including (i) two members appointed by the Purchaser including the chairman of the supervisory board and (ii) two members appointed by the Individual Sellers including Mr. Carl Putman. The chairman of the supervisory board shall have two votes and the three other members shall have one vote each. To the extent possible, each Subsidiary shall be managed by the Company as Chairman (*Président*).

(c) It is expressly agreed between the Parties that upon the occurrence of any Acceleration Event (as defined below) the full amount of Earn-out Amounts not paid at such date shall be all accelerated and become due and payable within fifteen (15) days following occurrence of such Acceleration Event. For purposes hereof, "**Acceleration Event**" shall mean the occurrence of any of the following events: (i) a decision of the supervisory board of the Company to materially amend the Budget taken without the positive vote of Mr. Carl Putman; or (ii) the dismissal of Mr. Carl Putman by the Company other than for Fair Grounds.

(d) No later than two (2) months after the Closing, the Combined Company shall approve (subject to the relevant corporate approvals required) a new equity incentives plan or an addition to the Purchaser's current equity incentives plan pursuant to which the Combined Company shall issue equity awards to its directors, officers and employees (the "**Equity Incentives Plan**"). The Equity Incentives Plan when approved shall include the issuance of equity awards (whether options, restricted stock, restricted stock units or other form of equity award, the "**Equity Awards**")) to the Sellers and certain employees of the Company, based on the thirty (30) day weighted average of the Combined Company Common Stock as traded on the Nasdaq Capital Markets immediately prior to the date of grant or allocation (the "**Grant Price**"), as follows:

(i) To Mr. Carl Putman: Equity Awards based on the Grant Price in an amount equal to:

1. from the Closing Date until the second (2nd) year anniversary following the Closing Date: representing fifty percent (50%) of his current gross annual salary; and

2. from the second (2nd) year anniversary following the Closing Date until the third (3rd) year anniversary following the Closing Date: representing one hundred percent (100%) of his current gross annual salary.

(ii) To Ms. Catherine Robin:

1. from the Closing Date until the second (2nd) year anniversary following the Closing Date: representing fifty percent (50%) of her current gross annual salary,

2. from the second (2nd) year anniversary following the Closing Date until the third (3rd) year anniversary following the Closing Date: representing one hundred percent (100%) of her current gross annual salary;

(iii) To the Key Personnel as stated in **Schedule 6.13(d)(iii)**.

(iv) The Equity Awards of Mr. Carl Putman and Ms. Catherine Robin shall vest as follows:

A. with respect to the Equity Awards granted pursuant to (i)1 and (ii)1 above, twenty-five percent (25%) shall vest upon the first (1st) and second (2nd) anniversaries of the grant, and fifty percent (50%) shall vest on the third (3rd) anniversary of the grant; and

B. with respect to the Equity Awards granted pursuant to (i)2 and (ii)2 above, fifty percent (50%) shall vest upon the grant thereof, and fifty percent (50%) shall vest upon first (1st) anniversary of the grant, it being specified that fifty percent (50%) of each participant's vesting referred to in this paragraph B shall be subject to the additional achievement of certain operational goals of the Combined Company to be previously agreed with the Individual Sellers, as shall be set forth in the grant agreements to be signed in connection with the grant of the Equity Awards.

(v) The Equity Awards of the Key Personnel shall vest over a period of three (3) years such that one-third (1/3) of each participants relevant Equity Awards shall vest on each of the first (1st), second (2nd) and third (3rd) anniversary of the date of grant. In addition, fifty percent (50%) of each participant's vesting upon the aforementioned dates shall be subject to the additional achievement of certain operational goals of the Combined Company to be previously agreed with the Individual Sellers, as shall be set forth in the grant agreements to be signed in connection with the grant of the Equity Awards.

7. CONDITIONS PRECEDENT

7.1 Conditions to Each Party's Obligations

The obligations of each party to consummate the Acquisition and the other transactions contemplated hereby are subject to the satisfaction (or written waiver by each of the parties) on or prior to the Closing Date of each of the following conditions:

(a) **No Injunctions or Restraints**. No applicable Law or Order enacted, entered, promulgated, enforced or issued by any Governmental Authority preventing or impairing the consummation of the Acquisition or of the other transactions contemplated hereby shall be in effect.

(b) **Absence of Proceedings**. There shall not be pending any Proceeding challenging or seeking to restrain or prohibit the Acquisition or any other transaction contemplated hereby.

(c) **Effective Business Combination and Closing of the Private Placement**. (i) The Business Combination shall have become effective immediately prior to or simultaneous with the Closing; and (ii) the Private Placement shall have closed in accordance with its terms (other than the Closing of the Acquisition and Business Combination, to the extent such is a closing condition thereof), and no stop order suspending the effectiveness of the relevant registration statement shall have been issued and no proceedings for that purpose shall have been initiated or threatened by the SEC or any other Governmental Authority and no similar proceeding in respect of the Private Placement shall have been initiated or threatened by the SEC or any Governmental Authority.

(d) **Listing**. The Combined Company Common Stock to be issued pursuant to this Agreement shall have been approved for listing (subject to official notice of issuance) on the NASDAQ Capital Market or NASDAQ Global Market.

(e) **Authorization and Listing Requirements**. The Exchange Shares issuable in connection with the Business Combination shall be duly authorized by the board of directors of the Combined Company and its Organizational Documents. The Exchange Shares issuable in connection with the Business Combination shall have been approved for listing on the Nasdaq Stock Market (subject to official notice of issuance) and to the extent required by Nasdaq Marketplace Rule 5110, an initial NASDAQ listing application shall have been conditionally approved prior to the Effective Time.

(f) **Governmental Approvals and Consents**.

(i) To the extent applicable, the Purchaser shall have received the Foreign Investment Clearance.

(ii) There shall not be in force any injunction or order of any court of competent jurisdiction enjoining or prohibiting the Acquisition.

7.2 Conditions to Obligation of the Purchaser

The obligation of the Purchaser to purchase and pay for the Purchased Shares and consummate the Acquisition and other transactions contemplated hereby is subject to the satisfaction (or written waiver by the Purchaser) on or prior to the Closing Date of the following additional conditions:

(a) **Representations and Warranties**. (i) Each of the Fundamental Representations and each of the other representations and warranties of the Individual Sellers contained in this Agreement that are qualified or limited by a materiality, Material Adverse Effect or other similar standard shall be true and correct in all respects as of the Closing Date as if made at and as of such time (except that such representations and warranties that are made as of a specific date need only be true and correct as of such date); and (ii) all other representations and warranties set forth in Articles 3 and 4 shall be true and correct in all material respects as of the Closing Date as if made at and as of such date (except that such representations and warranties that are made as of a specific date need only be true and correct as of such date).

(b) **Performance of Obligations of the Sellers**. The Sellers and the Company shall have performed or complied in all respects with all other obligations and covenants required by this Agreement to be performed or complied with by the Sellers on or prior to the Closing.

(c) **Certain Material Approvals and Contract Consents**. Each applicable Group Member and the Sellers shall have received: (i) all approvals set forth in **Schedule 7.2(c)(i)** hereto; and (ii) consents or given notices, as required, for each Contract listed in **Schedule 7.2(c)(ii)**, and copies thereof shall have been delivered to the Purchaser.

(d) **No Material Adverse Effect**. There shall not have occurred any Material Adverse Effect, nor shall any event or events have occurred that, individually or in the aggregate, with or without the lapse of time, would reasonably be expected to result in a Material Adverse Effect it being agreed that the breach of a financial ratio under the financing agreements entered into by the Group shall not be deemed to constitute a Material Adverse Effect if the relevant lenders have granted a waiver of such breach within thirty (30) Business Days following notice of the relevant breach, provided that such waiver does not trigger a cross default clause under any of the other financing agreements entered into by the Group.

(e) **Receipt of Closing Deliverables**. The Purchaser shall have received (or in the case of clause (iv) below, shall have had made available to it (at the premises of the Company or otherwise)):

(i) the shareholders' registers (*registre des mouvements de titres*) and the shareholders' individual accounts (*comptes d'actionnaires*) of the Company, duly reflecting the transfer of the Purchased Shares to the Purchaser free and clear of any Lien;

(ii) the relevant shares transfer forms (*ordre de mouvement*) in respect of the Purchased Shares transferred pursuant to this Agreement, executed by the Sellers and completed with the name of the Purchaser;

(iii) the three (3) originals of the tax transfer form (*formulaire cerfa n°2759 DGI*) with respect to the transfer of the Purchased Shares, duly completed and executed by the Sellers;

(iv) in respect of each Group Member, all governing documents, the corporate seal, updated share register and all minute books and other statutory books (which shall record all proceedings up to Closing) or such equivalent items in the relevant jurisdiction as are kept by each Group Member or that the applicable law requires it to keep;

(v) a copy of the written waiver letters duly executed by the employees of the Company, waiving their right to buy the Company in accordance with article L. 23-10-1 et seq. of the French Commercial Code and a copy of the opinion of the works council (*comité social et économique*) of the relevant Group Member with respect to the Acquisition;

(vi) a copy of information notices sent to, and of waivers received from the banks and financing institutions providing for the maintenance and non-repayment of the non-refinanced existing Indebtedness listed in **Schedule 7.2(e)(vi)**;

(vii) the evidence of the confirmation that the Existing Liens granted in connection with the Refinanced Existing Indebtedness shall be discharged on the Closing Date, subject to the full repayment by the Purchaser or the relevant Group Company of the Refinanced Existing Indebtedness;

(viii) the evidence of the notification to the Persons listed in **Schedule 7.2(e)(viii)** of the change of Control of the Company arising from the Closing, if required by the Purchaser upon notice to the Sellers' Representative within thirty (30) Business Days following the date hereof;

(ix) certificates, dated as of the Closing Date, executed by a duly authorized officer of the Company in the form attached hereto as **Exhibit C**, certifying the satisfaction of the conditions set forth in Sections 7.1(a), 7.1(b), 7.2(a), 7.2(b) and 7.2(d);

(x) the Estimated Closing Balance Sheet and the Closing Certificate;

(xi) the written resignations of the directors and employees of the Group listed in **Schedule 7.2(e)(xi)(a)** (the "**Resigning Persons**"), together with a written acknowledgment from each such Resigning Persons that he or she has no claim whatsoever against the Group;

(xii) true and correct copies of (A) resolutions of the boards of directors and the shareholders of the Company, and notably a certified copy of the minutes of the Company's strategic committee (*comité stratégique*) decision to approve the Acquisition in accordance with the shareholders' agreement of the Company dated February 8, 2018 (B) the necessary corporate organs of each Seller, in each case, authorizing the entry into this Agreement, the consummation of the Acquisition and the other transactions contemplated hereby;

(xiii) to the extent applicable, a certificate from the Secretary of State or other appropriate official in each jurisdiction in which each of Group Member is qualified to do business to the effect that such Group Member is in good standing (or the equivalent thereof) in such jurisdiction, in each case to the extent that the relevant jurisdiction provides such a certificate;

(xiv) a waiver to the Company's shareholders' agreement applicable provisions and a termination deed of the Company's shareholders' agreement evidencing that such shareholders' agreement shall be terminated without any notice nor any claims once Closing has occurred;

(xv) a certificate of good standing of Vision Systems North America in its jurisdiction of incorporation dated within ten (10) days of Closing Date;

(xvi) an agreement by which Mr. Carl Putman (i) confirms, for the past, the assignment of all its intellectual property rights in its inventions to the relevant Group Members which own patents/patent applications for which he is cited as an inventor and (ii) assigns, for the future, said rights to the relevant Group Member;

(xvii) termination instruments in respect of all terminated agreements set forth in **Schedule 7.2(e)(xiv)**;

(xviii) a copy of the Escrow Agreement duly executed by the Individual Sellers; and

(xix) signed employment agreement, including IP assignment appendices, of Ms Catherine Robin with a Subsidiary, in form to be attached hereto upon Closing (the "**Individual Seller Employment Agreement**").

(f) **Key Personnel**. At least eighty percent (80%) members of the Key Personnel shall be employed by the applicable Group Member as of the Closing Date and less than twenty percent (20%) of the Key Personnel has been given a notice of termination by any Group Member or given notice to any Group Member of their intention to terminate their employment or engagement with such Group member.

7.3 Conditions to Obligation of Sellers

The obligation of the Sellers to sell the Purchased Shares and consummate the other transactions contemplated hereby is subject to the satisfaction (or written waiver by the Seller) on or prior to the Closing Date of the following additional conditions:

(a) **Representations and Warranties**.

Each of the representations and warranties of the Purchaser contained in Article 5 contained in this Agreement that are qualified or limited by a materiality, Material Adverse Effect or other similar standard shall be true and correct in all respects as of the Closing Date as if made at and as of such time (except that such representations and warranties that are made as of a specific date need only be true and correct as of such date), except where the failure of any such representations and warranties to be true and correct has not had, individually or in the aggregate, a material adverse effect on the ability of the Purchaser to consummate the transactions contemplated hereby.

(b) **Performance of Obligations of the Purchaser**.

The Purchaser shall have performed or complied in all respects with all other obligations and covenants required by this Agreement to be performed or complied with by the Purchaser on or prior to the Closing.

(c) **Receipt of Closing Deliverables**.

(i) The Sellers shall have received the Closing Date Payment pursuant to Section 2.3;

(ii) The Sellers shall have received: (A) a certificate, dated as of the Closing Date, executed by the Purchaser, certifying the satisfaction of the conditions set forth in Sections 7.3(a) and 7.3(b); and (B) a counterpart to the share transfer deeds executed by the Sellers, duly executed by the Purchaser; and

(iii) The Sellers shall have received a counterpart to the Escrow Agreement duly executed by the Purchaser and the Escrow Agent.

(iv) The Sellers shall have received: (1) fully executed share subscription and registration rights documentation with similar registration rights under US securities laws and other applicable laws in regards to the Combined Company Common Stock as provided to the investors for the shares issued to them in the Private Placement (other than with respect to the lock-up periods which may differ); and (2) representations as to the corporate existence of the Combined Company, no conflicts and due authorization and execution of the Combined Company Common Stock and that upon issuance the Combined Company Common Stock, the Combined Company Common Stock will be duly issued, fully paid and non-assessable, free and clear of Encumbrances (other than as required by Law or the lock-up) in the hands of the Sellers.

(d) **Status of Mr. Eyal Peso**. Mr. Eyal Peso shall remain a Director and the CEO of the Purchaser.

7.4 Frustration of Closing Conditions

No Party may rely on the failure of any condition set forth in thisArticle 7 to be satisfied if such failure was caused by such Party's failure to act in good faith or to use the required level of efforts set forth herein to cause the Closing to occur, it being agreed and understood that in no way shall the Purchaser be liable for the failure to occur, for whatever reason, of the conditions set forth in Sections 7.1(c), 7.1(d) and 7.1(e), except in cases of fraud, intentional misrepresentation or wilful misconduct.

8. TERMINATION

8.1 Termination

(a) Notwithstanding anything to the contrary in this Agreement, but subject to Section 7.4, this Agreement may be terminated at any time prior to the Closing:

(i) by mutual written consent of the Sellers and the Purchaser;

(i) by the Purchaser if the Foreign Investment Authority issues, prior to the Long-Stop Date, a decision in writing (i) requiring or denying any Foreign Investment Clearance or (ii) imposing as a condition for the clearance any undertaking that materially affects the business of the Group, such as divesting, disposing of, or holding separate (or otherwise taking or committing to take any action that limits the Purchaser's freedom of action with respect to, or its ability to retain, operate or control of) any of its businesses or assets or the businesses or assets of the Group Members;

(ii) by the Sellers or the Purchaser, if the Closing does not occur on or prior to July 31, 2021 (the "**Long-Stop Date**"); provided that the party seeking to terminate this Agreement pursuant to this Section 8.1(a)(i) shall not have breached its obligations under this Agreement in any manner that shall have proximately caused the failure to consummate the Acquisition on or before such date;

(iii) by the Sellers, if no Seller is then in breach of this Agreement and (A) if any of the conditions set forth in Section 7.1 or 7.3 shall have become incapable of fulfillment by the Long-Stop Date, and such conditions shall not have been waived in writing by the Sellers; or (B) if there shall have been a breach, inaccuracy or failure to perform any representations, warranties, covenants or agreements made by the Purchaser in this Agreement that would give rise to the failure of any of the conditions set forth in Section 7.3 (which has not been waived by the Sellers) and such breach has not been cured within thirty (30) days of written notice thereof by the Sellers; or

(iv) by the Purchaser, if the Purchaser is not then in breach of this Agreement and (A) if any of the conditions set forth in Section 7.1 or 7.2 shall have become incapable of fulfilment by the Long-Stop Date, and such conditions shall not have been waived in writing by the Purchaser; or (B) if there shall have been a breach, inaccuracy or failure to perform any representations, warranties, covenants or agreements made by the Sellers in this Agreement that would give rise to the failure of any of the conditions set forth in Section 7.2 (which has not been waived by the Purchaser) and such breach has not been cured within thirty (30) days of written notice thereof by the Purchaser (other than a breach of any of the obligations of the Sellers contained in Sections 2.1, and 2.5, as to which no such grace period shall apply).

(b) In the event of termination of this Agreement pursuant to this Article 8, written notice thereof shall forthwith be given by the Party seeking termination to the other Parties, and this Agreement, and the transactions contemplated hereby, shall be terminated without further action by any Party.

8.2 Effect of Termination

If this Agreement is terminated and the transactions contemplated hereby are terminated as described in Section 8.1, this Agreement shall become null and void and of no further force and effect, except for the following provisions each of which shall survive termination hereof:

(a) Section 6.9 relating to confidentiality obligations of the Parties;

(b) Section 10.3 relating to liability for Transaction Expenses;

(c) Section 6.7 relating to publicity;

(d) Section 8.1 and this Section 8.2; and

(e) Section 1.1 relating to Definitions and Article 10 relating to Miscellaneous Provisions, in each case, to the extent applicable.

Nothing in this Section 8.2 shall be deemed to release any party from any liability for any breach by such party of the terms and provisions of this Agreement.

9. LIMITATIONS OF LIABILITY; INDEMNIFICATION

9.1 Indemnification Obligations

(a) Principle.

From and after the Closing, each Individual Seller, it being specified that outside of and with respect to claims in excess of the Escrow Amount, the First Individual Seller shall be jointly and severally liable with the Second Individual Seller but that the reverse does not apply, shall defend and indemnify the Purchaser Indemnified Parties against, and hold each of the Purchaser Indemnified Parties harmless from, Losses directly suffered, incurred or paid by them as a result of (a "**Triggering Event**"):

(i) any breach of any of the representations and warranties of the Individual Sellers made in Articles 3 and 4, other than the Sellers' Fundamental Representations and other than pursuant to Section 4.9;

(ii) any breach of any of the Sellers' Fundamental Representations;

(iii) any (i) additional or increased liability, or (ii) decrease or inadequacy of assets caused by or originating from any event, fact, act, omission or operation occurred prior to the Closing Date, which may or may not be known on this date, which has not been booked or provisioned in the Financial Statements, or which has been inadequately booked or provisioned, for which the applicable statute of limitation has not expired; and

(iv) any breach of any of the representations and warranties of the Individual Sellers made pursuant to Section 4.9, any and all Taxes (or the non-payment thereof) imposed on or with respect to the properties, income or operations of the Group, or for which any Group Member may be liable, for all taxable periods ending on or before the Closing Date and the portion of the Straddle Period through the end of the Closing Date to the extent that such Taxes exceed the amount, if any, reserved for such Taxes (excluding any reserve for deferred Taxes established to reflect timing differences between book and Tax income) in calculating the Net Working Capital (rather than in any notes thereto).

(b) Determination of the Amount of Each Indemnification.

The amount of each indemnification payable by the Individual Sellers to the Purchaser Indemnified Parties under this Section 9.1 (the "**Indemnification**") shall be:

(i) reduced by the amount of any provision specifically recorded in the Financial Statements in relation to the relevant Loss, after deduction of the additional Tax on the results resulting from the reversal of the said provision;

(ii) reduced by any amount paid or received by any Group Member from an insurance company and/or a third party in compensation for the relevant Loss, less the Tax generated by the said amount and the costs, fees and expenses incurred to obtain the payment thereof, *provided*, *however*, that the Purchaser and/or the Purchaser Indemnified Parties shall not be required to file any claim with such insurance company or pursue any Proceedings with respect to third parties;

(iii) reduced, where applicable, by the amount of the corporate Tax saving effectively generated as a result of the payment of the Indemnification if the Triggering Event is a Tax-deductible expense as reasonably determined by the Parties. A corporate Tax saving shall be deemed effective in respect of the fiscal year of the Triggering Event if it effectively reduces the amount of the corporate Tax payable by the entity that has received the Indemnification in the absence of any Loss giving rise to Indemnification, excluding the creation of, or increase in, any tax loss carried forward;

(iv) in the event that the Triggering Event has the effect of deferring in time the deduction of expenses or the recognition of income and/or deferring in time the payment of Taxes or contributions (in particular the reintegration of depreciation, inventories and/or provisions), the amount of the Indemnification may only cover any late payment interest and penalties effectively borne by the Purchaser or any Group Member concerned, as a result of such a deferral; and

(v) in the event that any tax cost is borne by the Purchaser or any Group Member in connection with the receipt of any Indemnification payable by the Individual Sellers under this Guarantee, the amount of the said Indemnification shall be increased such that the Purchaser Indemnified Parties receives an amount net of Tax, equal to the amount of the Loss indemnified.

9.2 Cap, Basket and De Minimis

(a) The liability of the Individual Sellers to the Purchaser Indemnified Parties pursuant to Sections 9.1(a)(i) and 9.1(a)(iii) shall be limited to an amount equal to the Escrow Amount.

(b) The liability of the Individual Sellers to the Purchaser Indemnified Parties pursuant to Section 9.1(a)(iv), individually or in aggregate with any other liability under Sections 9.1(a)(i) and 9.1(a)(iii), shall be limited to an amount equal to €8,000,000.

(c) No indemnification shall be due with respect to any individual Losses for an amount of less than €5,000, it being agreed that the amount of any Losses below such *de minimis* amount shall not be taken into account for the purposes of the Basket set forth in Section 9.1(b)(d) .

(d) The Purchaser Indemnified Parties shall not be entitled to indemnification for Losses until such time that the amount of the Losses of the Purchaser Indemnified Parties exceed: (i) pursuant Sections 9.1(a)(i) and 9.1(a)(iii) an amount equal to €200,000 in the aggregate for all occurrences; and (ii) pursuant to Section 9.1(a)(iv), an amount equal to €100,000 in the aggregate for all occurrences (in each case, the "**Basket**") and, in which event, the Individual Sellers shall be required to pay the aggregate amount of such Losses from the first (1st) Euro.

(e) Subject to Section 9.2(a) above, the Individual Sellers shall not have any liability to the Purchaser Indemnified Parties under this Agreement in excess of the Purchase Price, other than in the case of inaccuracy or misrepresentation resulting from fraud, intentional misrepresentation or wilful misconduct.

(f) This Article 9 sets forth the rights and remedies of the Purchasers, as well as the limitations on liability of the Individual Sellers solely with respect to breaches of the any of the representations and warranties of the Individual Sellers made in Articles 3 and 4. With respect to any other claims or Losses for any other provision hereof, the Purchaser's right to remedy and recourse shall be as provided by applicable Law and shall not be limited by the provisions hereof.

9.3 Time Limits for Filing Claims

The survival periods for submitting a Claim Certificate pursuant to Section 9.4 below, shall be as follows:

(a) (i) the indemnification under Section 9.1(a)(ii) and 9.1(a)(iv), or (ii) fraud, intentional misrepresentation or wilful misconduct, until the ninetieth (90th) day following the expiration of the statute of limitations for that particular matter that is the subject matter thereof; and

(b) the indemnification under Sections 9.1(a)(i) and 9.1(a)(iii), until the Second Escrow Release Date.

(c) If written notice of a claim for indemnification under Section 9.1(a) shall have been provided to the Individual Sellers, within the applicable survival period, then any representations, warranties, covenants or agreements that are the subject of such claim for indemnification that would otherwise terminate as set forth above shall survive as to such claim, and that claim only, until such time as such claim is fully and finally resolved.

9.4 Notice of Claim

(a) Within thirty (30) days as of the date on which the Person entitled to indemnification pursuant to Section 9.1 becomes aware of a Triggering Event (provided that in the event such Triggering Event is an ongoing episode, the thirty (30) day period shall be calculated from the later of the end of such episode and the date such Person became aware of the Triggering Event), or to any claim by a Person described in Section 9.4(c) which might give rise to indemnification hereunder, including if the amount of such Loss or claim is not yet definitively known (an "**Indemnitee**"), the Indemnitee shall give the party from which indemnification is sought (the "**Indemnitor**") written notice (a "**Claim Certificate**") of the same, which Claim Certificate shall describe in reasonable detail the breach and claim, suit, action or other proceeding, as applicable, the information that may be given as to the assessment of the consequences of the Triggering Event(s) which is the subject matter of the Claim and the nature and the amount or an estimate of the amount of the claimed Losses hereunder.

(b) In the event that the Indemnitor shall object to the indemnification of an Indemnitee in respect of any claim or claims specified in any Claim Certificate (other than a Third Party Claim, which is addressed in Section 9.4(c)), the Indemnitor shall, within thirty (30) days after receipt by the Indemnitor of such Claim Certificate, deliver to the Indemnitee a notice to such effect, specifying in reasonable detail the basis for such objection, and the Indemnitor and the Indemnitee shall, within the sixty (60) day period beginning on the date of receipt by the Indemnitee of such objection, attempt in good faith to agree upon the rights of the respective parties with respect to each of such claims to which the Indemnitor shall have so objected. If the Indemnitee and Indemnitor shall succeed in reaching agreement on their respective rights with respect to any of such claims, the Indemnitee and Indemnitor shall promptly prepare and sign a memorandum of agreement setting forth such agreement. Should the Indemnitee and the Indemnitor be unable to agree as to any particular item or items or amount or amounts within such time period, then the Indemnitee shall be permitted to submit such dispute to the courts set forth in Section 10.3. The party that receives a final judgment in such dispute shall reimburse the other party for all reasonable attorney and consultant fees or expenses incurred by the other party.

(c) If a claim by a third party is made against any Indemnitee (a "**Third Party Claim**"), and if such Indemnitee intends to seek indemnity with respect thereto under this Article 9, such Indemnitee shall promptly notify the Indemnitor of such Third Party Claim, setting forth in reasonable detail the facts and circumstances pertaining thereto and the basis for the Indemnitee's right to indemnification; provided that the failure to so notify shall not relieve the Indemnitor of its obligations hereunder, except to the extent that the Indemnitor is actually and materially prejudiced thereby. Thereafter, the Indemnitee shall deliver to the Indemnitor copies of all notices and documents (including court papers) received by the Indemnitee relating to the Third Party Claim. Subject to the final sentence of this Section 9.4(c), the Indemnitor may, at its option, assume control of the defense of such Third Party Claim within ten (10) days after receipt of such notice, through counsel reasonably acceptable to the Indemnitee, and the fees and expenses of such counsel shall be at the sole cost and expense of the Indemnitor (and, for the avoidance of doubt, shall be Losses), provided that the Indemnitor shall have acknowledged in writing to the Indemnitee its unqualified obligation to indemnify the Indemnitee as provided hereunder. The Indemnitee is hereby authorized (but not obligated), prior to and during such ten (10) day period, to use commercially reasonable efforts to file any motion, answer or other pleading and to take any other action which the Indemnified Party shall, based on the opinion of its counsel (which may be in-house counsel), deem necessary or advisable to protect the Indemnitee's interests and shall provide an advance notice to the Indemnitor thereof. If the Indemnitor assumes control of the defense of such claim, the Indemnitee may also, at its sole discretion, participate in such defense through separate counsel at its sole cost and expense. In such case, the Indemnitor will assume the sole charge and direction of the defense and settlement, and the Indemnitee shall reasonably cooperate with the Indemnitor as respects any such claim, including making records available for inspection and appropriate personnel available to be interviewed as part of any investigation, and shall provide to the Indemnitor such other assistance as may be reasonably necessary to investigate, defend against and resolve any such claim. If the Indemnitor shall control the defense of any such claim, the Indemnitor shall obtain the prior written consent of the Indemnitee (which shall not be unreasonably withheld, delayed or conditioned) before entering into any settlement of a claim or ceasing to defend such claim. If the Indemnitor elects not to so assume the defense of the Indemnitee or is not entitled to do so, then the Indemnitee may assume the sole charge and direction, at the sole cost and expense of the Indemnitor, of the defense or settlement of such claim, suit, action or proceeding based on any claims, demand, cause of action, suit or liability for which the Indemnitor is responsible under this Section 9.4(c). In such case, the Indemnitor shall reasonably cooperate with the Indemnitee in respect of any such claim, including making records reasonably available for inspection and appropriate personnel available to be interviewed as part of any investigation, and shall provide to the Indemnitee such other assistance as may be reasonably necessary to investigate, defend against and resolve any such claim. If the Indemnitee shall control the defense of any such claim, the Indemnitee shall obtain the prior written consent of the Indemnitor (which shall not be unreasonably withheld, delayed or conditioned) before entering into any settlement of a claim or ceasing to defend such claim; provided that the Indemnitee may enter into any settlement or cease to defend such claim without obtaining such consent if (A) the Indemnitor does not notify the Indemnitee within ten (10) days after the receipt of the Indemnitee's notice of a Third Party Claim of indemnity hereunder that it elects to undertake the defense thereof; or (B) if the Indemnitor's consent to the proposed settlement of such action is being unreasonably withheld, delayed or conditioned; or (C) the Indemnitee waives any right to indemnity therefor by the Indemnitor. Notwithstanding the foregoing, (I) if a claim involves or could reasonably be expected to involve monetary damages in excess of the limit of an Indemnitor's liability hereunder or a claim for non-monetary relief, the Indemnitor shall not be entitled to assume the defense of such claim but shall remain liable for the fees and expenses of the Indemnitee's counsel, which shall be included in the calculations of Losses; and (II) if (x) an actual conflict of interest, or actual differing defenses between the Indemnitee and the Indemnitor exists (in the reasonable opinion of the Indemnitee's counsel) in respect of any claim for which indemnification is sought by the Indemnitee; (y) a claim relates to or arises in connection with any criminal proceeding, action, indictment or allegation or investigation; or (z) upon petition by the Indemnitee, the appropriate court rules that the Indemnitor failed or is failing to vigorously prosecute or defend such claim, the Indemnitee shall be entitled to employ one counsel to represent it, and in such event, fees and expenses of such counsel shall be included in the calculation of Losses. The Indemnitor shall not, without the prior written consent of the Indemnitee, settle, compromise or offer to settle or compromise any Third Party Claim if the terms of such settlement would result in (a) the imposition of a consent order, injunction, decree or other non-monetary relief that would restrict the future activity or conduct of the Indemnitee, (b) a finding or admission of a violation of Law by the Indemnitee that would have an adverse effect on the Indemnitee, (c) the imposition of any monetary liability on the Indemnitee in excess of the Escrow Amount, or (d) would not result in the full and general release of all Indemnified Parties from all liabilities arising or related to, or in connection with, the Third Party Claim.

(d) Notwithstanding any other provision of this Agreement to the contrary, the Purchaser shall have the right in its discretion to elect to represent the interest of the Group in any claim, audit, examination or administrative or court proceeding relating to any audits or assessments or other disputes regarding any Taxes of such Group Member relating to any Pre-Closing Tax Period (a "**Tax Proceeding**"). The Purchaser shall provide the Individual Sellers with reasonable notice in writing upon receiving notice from any Governmental Authority of the commencement of any Tax Proceeding regarding any Pre-Closing Tax Period. The Individual Sellers and the Purchaser shall cooperate before filing all material submissions and before entering into any agreement to settle or compromise taxes reflected on any Tax Return filed by or with respect to a Group Member with respect to Tax periods that end on or before the Closing Date. The Purchaser shall obtain the prior written consent of the Individual Sellers (which shall not be unreasonably withheld, delayed or conditioned) before entering into any settlement of a Tax Proceeding or ceasing to defend such Tax Proceeding.

(e) If the Person entitled to indemnification pursuant to Section 9.1 does not notify a Claim to the party from which indemnification is sought within the time limit mentioned above in Section 9.4(a), such Person shall no longer have the right to indemnification hereunder.

9.5 Certain Additional Matters

(a) Any indemnity payment under this Agreement shall be treated as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by a change in Law occurring after the date hereof, a closing agreement with a Governmental Authority, or a final, non-appealable judgment of a court of competent jurisdiction.

(b) The parties agree and acknowledge that the waiver by the Purchaser of any of condition to the consummation of the Acquisition set forth in this Agreement, including pursuant to Section 7.2, shall not constitute a waiver of, nor prejudice, any rights or claims available to any Purchaser Indemnified Party pursuant to this Article 9.

(c) Any indemnification for Losses shall be first from the Escrow Amount on a joint and several basis, and thereafter, to the extent indemnification hereunder may exceed such amounts, from the applicable Individual Seller, on a several and joint basis with respect to the First Individual Seller, and on a several and not joint basis with respect to the Second Individual Seller, subject to the other provisions of this Section 9. Notwithstanding the foregoing, the Purchaser may off- set any such indemnified amount for the amounts owed to such Individual Seller pursuant to Section 2.8.

(d) For purposes of calculating the amount of any Losses that are the subject matter of a claim for indemnification, each representation and warranty in this Agreement will be read without regard and without giving effect to any "material", "materially", "materiality", "Material Adverse Effect", "material adverse effect" or similar qualifiers contained in any of such representations and warranties (fully as if any such word or phrase were deleted from such representation and warranty).

9.6 Manner of Payment

Claims for Losses specified in any Claim Certificate to which an Indemnitor shall not object in writing within thirty (30) days of receipt of such Claim Certificate (other than a Third Party Claim, which is addressed in Section 9.4(c)), claims for Losses covered by a memorandum of agreement of the nature described inSection 9.4(b) or claims for Losses the validity and amount of which have been the subject of judicial determination as described in Section 9.4(b) and Section 10.3 hereof or shall have been settled as described in Section 9.4(c)), are hereinafter referred to, collectively, as "**Agreed Claims**". Within ten (10) Business Days of the determination of the amount of any Agreed Claim (or at such other time as the Indemnitee and the Indemnitor shall agree), the Indemnitor shall make payment to the Indemnitee of an amount equal to the Agreed Claim, subject, in the case of payments to be made to a Purchaser Indemnified Party, pursuant with Section 2.6.

9.7 Duty of Care

The Purchaser undertakes to make reasonable efforts and to ensure that the other Purchaser Indemnified Parties make reasonable efforts, in accordance with their corporate interests and applicable Laws, in order to, to the extent commercially reasonable, (i) prevent the occurrence of a Loss, (ii) reduce the amount of any Loss on the basis of which a Claim is made and (iii) reasonably conduct the defense of the Third-party Claims, in the corporate and commercial interests of the Group Members and its own corporate and commercial interests.

9.8 Sellers' Representative.

(a) By virtue of the execution of this Agreement and receiving the consideration payable hereunder, each Seller hereby irrevocably agrees, constitutes and appoints the Sellers' Representative (and by the execution of this Agreement as Sellers' representatives as of the date hereof, the Sellers' Representative hereby accepts its appointment) as the true, exclusive and lawful agent and attorney-in-fact of each of the Sellers, (i) to act as a Seller's Representative under this Agreement and each of the instruments and agreements contemplated hereby to which it is party and to have the right, power and authority to perform all actions (or refrain from taking any actions) the Sellers' Representative shall deem necessary, appropriate or advisable in connection with, or related to, this Agreement and such instruments and agreements contemplated hereby; (ii) to act in the name, place and stead of each Seller (A) in connection with the transactions contemplated hereunder, in accordance with the terms and provisions of this Agreement and all instruments and agreements contemplated hereby, and (B) in any proceeding involving this Agreement and/or instrument and agreement contemplated hereby; (iii) to do or refrain from doing all such further acts and things, and to execute all such documents as the Sellers' Representative shall deem necessary or appropriate in connection with the transactions contemplated hereunder; (iv) to receive all notices or other documents given or to be given to the Sellers by or on behalf of Purchaser pursuant to this Agreement and all instruments and agreements contemplated hereby; (v) negotiate, undertake, compromise, defend, resolve and settle any suit, proceeding, claim or dispute under this Agreement and all instruments and agreements contemplated hereby on behalf of the Sellers, including with respect to any indemnification matters; (vi) engage special counsel, accountants and other advisors and incur such other expenses in connection with any of the transactions contemplated hereunder; (vii) receive service of process on behalf of any Seller in connection with any claims under this Agreement; (viii) agree, after having obtained the agreement of IDInvest (which shall not be unreasonably withheld or delayed), to any modification, supplement or amendment of, or waiver under, this Agreement and all instruments and agreements contemplated hereby and execute and deliver an agreement of such modification, supplement, amendment or waiver; (ix) agree to the release of any amount from the Escrow Amount; and (x) take all such other actions as the Sellers' Representative may deem necessary, appropriate or advisable to carry out the intents and purposes of this Section 9.8. This power of attorney is coupled with an interest and is irrevocable. All actions, decisions and instructions of the Sellers' Representative shall be conclusive and binding upon all of the Sellers. Each of the Sellers acknowledges and agrees that upon execution of this Agreement, upon any delivery by the Sellers' Representative of any waiver, amendment, agreement, opinion, certificate or other document executed by the Sellers' Representative, such Seller shall be bound by such documents as fully as if such Seller had executed and delivered such documents. The provisions of this Section 9.8(a) shall apply, *mutatis mutandis*, to any action that the Company performs on behalf of or with respect to the Sellers pursuant to the terms hereof, including the control, defense and settlement of any Third Party Claim.

(b) The Sellers' Representative may be removed or replaced only upon delivery of written notice to the Company and the Purchaser by the Majority Sellers. The Sellers' Representative may resign at any time upon a thirty (30) days' prior written notice of such decision to resign and in the event of such resignation the Majority Sellers shall promptly appoint a successor Sellers' Representative. Purchaser, the Paying Agent, the Escrow Agent and any other Person may conclusively and absolutely rely, without inquiry, upon any action of the Sellers' Representative in all matters referred to herein. Any notice or communication given or received by, and any decision, action, failure to act within a designated period of time, agreement, consent, settlement, resolution or instruction of, the Sellers' Representative shall constitute a notice or communication to or by, or a decision, action, failure to act within a designated period of time, agreement, consent, settlement, resolution or instruction of the Sellers and shall be final, binding and conclusive upon the Sellers. As between the Sellers and the Sellers' Representative, the Sellers' Representative will incur no liability of any kind with respect to any action or omission by the Sellers' Representative pursuant to this Agreement and the agreements ancillary hereto, except in the event of liability directly resulting from the Sellers' Representative's gross negligence or willful misconduct. The Sellers, severally and not jointly, will indemnify, defend and hold harmless the Sellers' Representative from and against any and all losses, liabilities, damages, claims, penalties, fines, actions, fees, costs and expenses (including the fees and expenses of counsel and experts) (collectively, "**Representative Losses**") arising out of or in connection with the Sellers' Representative's execution and performance of this Agreement and the agreements ancillary hereto, in each case as such Representative Loss is suffered or incurred; provided, that in the event that any such Representative Loss is finally adjudicated to have been directly caused by the willful misconduct of the Sellers' Representative, the Sellers' Representative will reimburse the Sellers the amount of such indemnified Representative Loss to the extent attributable to such willful misconduct. In no event will the Sellers' Representative be required to advance its own funds on behalf of the Sellers or otherwise. The Sellers acknowledge and agree that the foregoing indemnities will survive the resignation or removal of the Sellers' Representative or the termination of this Agreement. In all questions arising under this Agreement, the Sellers' Representative may rely on the advice of counsel, and the Sellers' Representative will not be liable to the Sellers for anything done, omitted or suffered by the Sellers' Representative based on such advice.

10. MISCELLANEOUS

MISCELLANEOUS

10.1 Amendment

Except as expressly provided herein, neither this Agreement nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument referencing this Agreement and signed, in the case of an amendment, discharge or termination, by the Sellers and the Purchaser, or in the case of a waiver, by the Party against whom the waiver is to be effective.

10.2 Notices

All notices, requests, claims, demands, waivers and other communications required or permitted hereunder shall be deemed to have been duly given if in writing, in English, and if mailed by registered or certified mail, postage prepaid, sent by facsimile or electronic mail (and in the case of facsimile or electronic mail, with copies by overnight courier service or registered mail) or otherwise delivered by hand or by messenger addressed:

(a) if to the Company (after the Closing) or to Purchaser, to:

Gauzy Ltd.
14 Hathiya St.,
Tel Aviv, Israel
Attn: Eyal Peso, CEO
E-mail: eyal@gauzy.com

or at such other address as the Purchaser shall have furnished to the Seller, with a copy to (which shall not constitute notice):

Gornitzky & Co., Advocates and Notaries
45 Rothschild Blvd.
Tel Aviv, Israel
Facsimile: +972-3-560-6555
Attn: Chaim Friedland, Adv., Yehonatan Raff, Adv.
E-mail: friedland@gornitzky.com and yonir@gornitzky.com

(b) if to the Company (before the Closing), the Sellers, or the Sellers' Representative to:

Vision Lite
20, route d'Irigny
69530 Brignais, France
Attn: Carl Putman, *président*
E-mail: cputman@vision-systems.fr

or at such other address as each Seller shall have furnished to the Purchaser, with a copy to (which shall not constitute notice):

Vision Lite
20, route d'Irigny
69530 Brignais, France
Attn: Catherine Robin, *directeur général*

E-mail: crobin@vision-systems.fr

And

Amaury Nardone
4 bis, rue du Colonel
Moll 75017 Paris, France
Attn: Amaury Nardone, Agathe Philippot
E-mail: anardone@delsolavocats.com and aphilippot@delsolavocats.com

Each such notice or other communication shall be in writing and shall be deemed to have been given
(a) when delivered by hand or by messenger (with written confirmation of receipt); (b) when received by the addressee if sent by an internationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. For the avoidance of doubt, delivery of any notice pursuant to this Section 10.2 to the Sellers shall be deemed notice duly given to each of the Sellers. Notices sent by multiple means, each of which is in compliance with the provisions of this Agreement will be deemed to have been received at the earliest time provided for by this Agreement.

10.3 Governing Law and Venue

(a) This Agreement shall be construed in accordance with, and governed in all respects by, the laws of the State of New York without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of New York.

(b) To the extent permitted by Law, each of the parties hereto hereby irrevocably submits to the exclusive jurisdiction of the international chamber of the Tribunal de Commerce of Paris and, for any appeal, to the jurisdiction of the international chamber of the Paris court of appeal, with respect to any Action brought by any party arising out of or relating to this Agreement or any transaction contemplated hereby, and each of the parties hereto hereby irrevocably agrees that all claims with respect to any such Action shall be brought, heard and determined in such courts. Each party irrevocably and unconditionally waives any objection to the laying of venue of any Action arising out of this Agreement or the transactions contemplated hereby in the aforementioned courts, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such Action brought in any such court has been brought in an inconvenient forum.

10.4 English Language

This Agreement and all instruments and agreements contemplated hereby shall be drafted in English.

10.5 Transaction Expenses

Except as otherwise set forth herein: (i) the Purchaser shall bear its own direct and indirect transaction expenses (which costs shall include filing fees relating to any Foreign Investment Clearance); and (ii) the Sellers shall bear their own and the Company's direct Transaction Expenses.

10.6 Required Consents; Binding Effect.

Unless otherwise specifically set forth herein, any decision, action, agreement, consent, settlement, resolution or instruction that may, or is required to, be performed, provided or agreed to by, or sought from, more than one Seller (including in the capacity as an Indemnifying Party), as the case may be, and to the extent not covered by the authorities of the Sellers' Representative herein, may be so performed, provided or agreed to by, or sought from the Sellers selling the majority of Purchased Shares with respect to which the matter requiring such decision, action, agreement, consent, settlement, resolution or instruction applies (the "**Majority Sellers**"), and in each such case the decision, action, failure to act, agreement, consent, settlement, resolution or instruction of the Majority Sellers shall constitute the decision, action, failure to act, agreement, consent, settlement, resolution or instruction of all Sellers, and shall be final, conclusive and binding upon each of the Sellers, and any other party hereto shall be entitled to rely thereon. Nothing herein shall derogate from the parties' right herein to seek consent from or otherwise communicate with any or all of the Sellers directly.

10.7 Successors and Assigns

This Agreement, and any and all rights, duties and obligations hereunder, shall not be assigned, transferred, delegated or sublicensed by any party hereto without the prior written consent of the other; provided that the Purchaser may assign in whole or in part its rights, interests and obligations hereunder (a) to any one or more direct or indirect wholly owned Subsidiaries of the Purchaser or to any Affiliates of which the Purchaser is a direct or indirect wholly owned Subsidiary and/or the Combined Company; and (b) in connection with the transfer by the Purchaser of all or substantially all of the shares and/or assets of a Group Member but such assignment shall not release the Purchaser from its obligations hereunder. Subject to the foregoing and except as otherwise provided herein, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto.

10.8 Entire Agreement

This Agreement, including the exhibits, annexes and Disclosure Schedule attached hereto, constitute the full and entire understanding and agreement among the Parties with regard to the subjects hereof and thereof and supersedes all prior agreements and understandings, oral and written, with respect hereto and thereto, including the confidentiality agreement entered by and between the Purchaser and the Company dated October 14, 2020, as amended on December 1, 2020. This Section 10.8 shall not be deemed to be an admission or acknowledgement by any of the Parties that any prior agreements or understandings, oral or written, with respect to the subject matter hereof exist. No Party shall be liable or bound to any other Party in any manner with regard to the subjects hereof or thereof, representations or covenants except as specifically set forth herein.

10.9 Severability

If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Agreement, and this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable term, provision, covenant or restriction or any portion thereof had never been contained herein. The balance of this Agreement shall be enforceable in accordance with its terms.

10.10 Counterparts

This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each Party shall have received a counterpart hereof signed by all of the other Parties. Until and unless each Party has received a counterpart hereof signed by the other Party hereto, this Agreement shall have no effect and no Party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication). The exchange of a fully executed Agreement (in counterparts or otherwise) by electronic transmission in .PDF format or by facsimile shall be sufficient to bind the Parties to the terms and conditions of this Agreement.

10.11 Delays or Omissions

No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

10.12 Specific Performance

It is agreed and understood that: (i) each Party hereto may be irreparably damaged in the event the provisions of this Agreement to be performed after the Closing are not performed by the Parties hereto in accordance with their specific terms or were otherwise breached or threatened to be breached; (ii) monetary damages may not adequately compensate an injured party for the breach of this Agreement by any other party; (iii) this Agreement shall be specifically enforceable; and (iv) any breach or threatened breach of this Agreement may be the proper subject of a temporary or permanent injunction or restraining order to prevent breaches hereof and to enforce specifically the terms and provisions of this Agreement, in addition to any other remedy to which any party hereto may be entitled at law or in equity as a remedy for any such breach or threatened breach. This Section 10.12 shall not affect or limit, and the injunctive relief provided in this Section 10.12 shall be in addition to, any other remedies available to the Parties hereto at law or in equity or in arbitration for any breach of this Agreement by any Party hereto, including the right to recover Losses as provided in Article 9.

10.13 Release

(a) Effective as of the Closing, each Seller (on its behalf and on behalf of its Affiliates, other than employees of any Group Member in their capacity as such, and other than any Group member) hereby unconditionally and irrevocably waives any claims that it or its Affiliates (other than any Group Member) has or may have against any of the Group Members and their respective Affiliates, representatives, directors, officers and employees (in their capacity as such) with respect to any matter, occurrence, event, debt or Liability relating to, occurring on or deriving from the period prior to the Closing, and releases the same from any and all actions, claims or demands with respect thereto. Each Seller shall, and shall procure that its respective Affiliates, and its and their respective employees (other than employees of any of the Group Members in their capacity as such) shall not have any claim against any Group Member and their respective representatives, directors, officers, and employees (in their capacity as such) on the grounds that they have relied thereon when providing any of the representations or warranties set out herein. Without derogating from the generality of the above, Each Seller hereby waives any right of first offer, tag-along right, pre-emptive right or any similar right they may have, either pursuant to any of the Group Member's organizational documents, any shareholders' agreement, any other Contract or pursuant to any Law in connection with the sale and transfer of the Purchased Shares to the Purchaser pursuant to the terms hereof and all of the other transactions contemplated herein, or as it may otherwise have had or has.

(b) Anything to the contrary notwithstanding: (i) the foregoing releases are conditioned upon the consummation of the Closing and shall become null and void, and shall have no effect whatsoever, without any action on the part of any Person, upon termination of this Agreement in accordance with its terms; and (ii) should any provision of these releases be found, held, declared, determined, or deemed by any court of competent jurisdiction to be void, illegal, invalid or unenforceable under any applicable Law, the legality, validity, and enforceability of such provision should be construed as extending to the maximum extent possible under such applicable Law, and the remaining provisions will not be affected.

10.14 No Third-Party Beneficiaries

Except as set forth in Article 9, nothing in this Agreement, express or implied, shall give or confer any rights or remedies to or upon any Person other than the parties hereto and their respective successors and permitted assigns.

10.15 Waivers

No failure or delay of a party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Parties hereunder are cumulative and are not exclusive of any rights or remedies which they would otherwise have hereunder. Any agreement on the part of any Party to any such waiver shall be valid only if set forth in a written instrument executed and delivered by such Party.

10.16 Certain Matters Regarding Representation of Sellers and the Group Members

(a) Each of the parties acknowledges and agrees that Delsol Avocats, Mr. Amaury Nardone and his associates have acted as counsels for the Sellers and the Group Members, in connection with the negotiation, documentation and execution of this Agreement and the consummation of the transactions hereunder (the "**Acquisition Engagement**") and not as counsels for any other Person, including the Purchaser.

(b) Acquisition Engagement. The Sellers and the Group Members shall be considered a client of Delsol Avocats, Mr. Amaury Nardone and his associates in the Acquisition Engagement. Purchaser agrees, on behalf of itself and, after the Closing, on behalf of the Group Members, that all communications in any form or format whatsoever between or among Delsol Avocats, Mr. Amaury Nardone or his associates, on the one hand, and a Group Member, or any of its directors, officers, employees or other representatives, on the other hand, that relate to the Acquisition Engagement or any dispute arising under this Agreement or agreement or document related thereto (collectively, the "**Acquisition Privileged Communications**") shall be deemed to be attorney-client privileged and that the Acquisition Privileged Communications and the expectation of client confidence relating thereto belong solely to Sellers, shall be controlled by Seller Representative on behalf of Sellers and shall not pass to or be claimed by the Purchaser or a Group Member. Accordingly, the Purchaser shall not have access to any Acquisition Privileged Communications, or to the files of Delsol Avocats, Mr. Amaury Nardone or his associates relating to the Acquisition Engagement, whether or not the Closing occurs. Without limiting the generality of the foregoing, upon and after the Closing, (i) the Sellers, Delsol Avocats, Mr. Amaury Nardone and his associates shall be the sole holders of the attorney-client privilege with respect to the Acquisition Engagement, and neither the Group Members nor the Purchaser shall be a holder thereof, (ii) to the extent that files of Delsol Avocats, Mr. Amaury Nardone and his associates in respect of the Acquisition Engagement constitute property of the client, only the Sellers shall hold such property rights, (iii) Delsol Avocats, Mr. Amaury Nardone and his associates shall have no duty whatsoever to reveal or disclose any such files or Acquisition Privileged Communications to the Group Members or the Purchaser by reason of any attorney-client relationship between Delsol Avocats, Mr. Amaury Nardone or his associates and a Group Member or otherwise, and (iv) if either the Purchaser or a Group Member is legally requested by Order to access or obtain a copy of all or a portion of the Acquisition Privileged Communications, then the Purchaser shall promptly notify the Sellers' Representative in writing (including by making specific reference to this Section 10.16 so that Seller Representative can seek a protective order).

(c) Post-Closing Representation of Sellers for Matters Relating to the Acquisition. If Sellers so desire, and without the need for any consent or waiver by the Group Members or Purchaser, Delsol Avocats, Mr. Amaury Nardone and his associates shall be permitted to represent any of Sellers or any Affiliates thereof after the Closing in connection with any matter related to the transactions hereunder or any disagreement or dispute relating thereto. Without limiting the generality of the foregoing, after the Closing, Delsol Avocats, Mr. Amaury Nardone and his associates shall be permitted to represent Sellers, any of their agents and Affiliates, or any one or more of them, in connection with any matter whatsoever, including any negotiation, transaction or dispute ("dispute" includes litigation, arbitration, administrative proceeding, mediation, negotiation or other adversary proceeding) with Purchaser, the Group Members or any of their agents or Affiliates under or relating to this Agreement, any transaction hereunder, and any related matter (such as claims for indemnification and disputes involving employment or noncompetition or other agreements entered into in connection with this Agreement) related to the Acquisition Engagement.

(d) Cessation of Attorney-Client Relationship With the Group Members. Upon and after the Closing, the Group Members shall cease to have any attorney-client relationship with Delsol Avocats, Mr. Amaury Nardone and his associates, unless after the Closing Delsol Avocats, Mr. Amaury Nardone and his associates are subsequently engaged in writing by a Group Member to represent the Group Member and either (i) such engagement involves no conflict of interest with respect to Sellers or (ii) Seller Representative consents in writing to such engagement. Any such representation of a Group Member by Delsol Avocats, Mr. Amaury Nardone and his associates after the Closing shall not affect the provisions of this Section. For example, and not by way of limitation, even if Delsol Avocats, Mr. Amaury Nardone or his associates are representing a Group Member after the Closing, Delsol Avocats, Mr. Amaury Nardone or his associates shall be permitted simultaneously to represent Sellers or any of their respective Affiliates in any matter, including any disagreement or dispute relating to this Agreement. Furthermore, Delsol Avocats, Mr. Amaury Nardone and his associates shall be permitted to withdraw from any representation in order to be able to represent or continue so representing Sellers or any Affiliates thereof, even if such withdrawal causes a Group Member or Purchaser additional legal expense (such as to bring new counsel "up to speed"), delay or other prejudice).

(e) Consent and Waiver of Conflicts of Interest. Sellers, the Group Members and Purchaser consent to the arrangements in this Section and waive any actual or potential conflict of interest that may be involved in connection with any representation by Delsol Avocats, Mr. Amaury Nardone or his associates permitted hereunder. In particular, Purchaser hereby waives and agrees not to assert, and agrees to cause the Group Members to waive and not to assert, any conflict of interest arising from or in connection with (i) the prior representation of the Group Members of Delsol Avocats, Mr. Amaury Nardone or his associates, and (ii) the representation of any Seller of Delsol Avocats, Mr. Amaury Nardone or his associates prior to, on or after the Closing. Purchaser hereby consents and agrees to, and agrees to cause the Group Members to consent and agree to, Delsol Avocats, Mr. Amaury Nardone and his associates representing Sellers or any of their respective Affiliates after the Closing, including with respect to disputes in which the interests of Sellers or any of their respective Affiliates may be directly adverse to Purchaser or the Group Members, and even though Delsol Avocats, Mr. Amaury Nardone or his associates may have represented the Group Members in a matter substantially related to any such dispute, or may be handling ongoing matters for the Group Members. Purchaser further consents and agrees to, and agrees to cause the Group Members to consent and agree to, the communication by Delsol Avocats, Mr. Amaury Nardone or his associates to Sellers or any of their respective Affiliates in connection with any such representation of any fact known to Delsol Avocats, Mr. Amaury Nardone or his associates arising by reason of the prior representation of the Group Members of Delsol Avocats, Mr. Amaury Nardone and his associates.

(f) Privileged Communications. Purchaser agrees that it will not, and that it will cause the Group Members not to, (i) access or use the Acquisition Privileged Communications, including by way of review of any electronic data, communications or other information, or by seeking to have Seller Representative or any Seller waive the attorney-client or other privilege, or by otherwise asserting that Purchaser or the Group Members have the right to waive the attorney- client or other privilege or (ii) seek to obtain the Acquisition Privileged Communications from Delsol Avocats, Mr. Amaury Nardone and his associates.

10.17 Signatures**.**

This Agreement may be executed and delivered by facsimile, portable document format (.pdf) or any electronic signature complying with the U.S. federal ESIGN Act of 2000 (including DocuSign), and in multiple counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

[*Signature page follows*]

IN WITNESS WHEREOF, the parties hereto have executed this Share Purchase Agreement as of the date first above written.

PURCHASER:

GAUZY LTD.

By: /s/ Eyal Peso
Name: Mr. Eyal Peso
Title: CEO

By: /s/ Meir Peleg
Name: Mr. Meir Peleg
Title: CFO

[*Signature Page to Share Purchase Agreement*]

COMPANY:

VISION LITE

By: /s/ Carl Putman
Name: Mr. Carl Putman
Title: President

[*Signature Page to Purchase Agreement*]

SELLERS:

PONTON

By: /s/ Carl Putman
Name: Mr Carl Putman
Title: President

REFUGE

By: /s/ Catherine Robin
Name: Ms. Catherine Robin
Title: President

FONDS NOUVEL INVESTISSEMENT 2

By: /s/ Valérie Ducourty
Name: IDINVEST Partners
Title: President
Itself represented by: Ms. Valérie Ducourty

[*Signature Page to Share Purchase Agreement*]

SELLERS' REPRESENTATIVE:

By: /s/ Carl Putman
Name: Mr Carl Putman

Exhibit 10.26

Execution Version

AMENDMENT TO SHARE PURCHASE AGREEMENT

THIS AMENDMENT (this "**Amendment**") TO THE SHARE PURCHASE AGREEMENT dated as of February 7, 2021 (the "**SPA**"), is made and entered into effective as of July 27, 2021 (the "**Effective Date**"), by and among (i) **Vision Lite**, a French *société par actions simplifiée*, having its registered office at Route d'Irigny – 69530 Brignais, registered under identification number 790 945 422 RCS Lyon (the "**Company**"); (ii) **PONTON**, a French *société par actions simplifiée*, having its registered office at Route d'Irigny – 69530 Brignais, registered under identification number 795 336 585 RCS Lyon, represented by its President, Mr. Carl Putman (the "**First Individual Seller**"); (iii) **REFUGE**, a French *société par actions simplifiée*, having its registered office at 9 rue Pierre Curie, 69500 Bron, registered under identification number 795 336 213 RCS Lyon, represented by its President Ms. Catherine Robin (the "**Second Individual Seller**" and together with the First Individual Seller, the "**Individual Sellers**"); (iv) **Fonds Nouvel Investissement 2**, a French *société d'investissement à capital variable*, having its registered office at 117, avenue des Champs Elysées – 75008 Paris registered under identification number 812 982 122 RCS Paris, represented by its President Eurazeo Investment Manager - EIM, a French *société anonyme*, having its registered office at 117, avenue des Champs Elysées – 75008 Paris registered under identification number 414 735 175 RCS Paris, itself represented by Ms. Valérie Ducourty, duly authorized for the purposes hereof ("**Eurazeo**" and together with the Individual Sellers, each a "**Seller**" and collectively, the "**Sellers**"); (v) **Mr. Carl Putman**, as the representative of the Sellers (the "**Sellers' Representative**"); and (vi) **Gauzy Ltd.**, a company organized under the laws of the State of Israel, having its principal offices at the 14 Hatchiya St., Tel-Aviv, Israel 6816914 (the "**Purchaser**").

The above parties shall be referred to hereinafter, each as a "**Party**" and collectively, the "**Parties**".

Capitalized terms used herein (including in the immediately preceding sentence) and not otherwise defined herein shall have the meanings set forth in the SPA.

RECITALS

WHEREAS, pursuant to the SPA, the Purchaser is to acquire one hundred percent (100%) of the Equity Securities of the Company;

WHEREAS, the Purchaser is in the process of completing the Business Combination which process has been extended longer than initial expected and raise a pre-pipe round prior to the listing on the NASDAQ Stock Market; and

WHEREAS, the Parties hereto wish to amend the SPA in order to enable the transactions under the SPA to occur taking into account the amended and extended Business Combination process.

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein, the Parties hereby agree to enter into this Amendment as follows:

1. DEFINITIONS AND INTERPRETATION

1.1. The recitals to this Amendment and the exhibits and schedules attached hereto constitute integral parts hereof.

1.2. Section headings are included in this Amendment for convenience only and shall not be used in the interpretation thereof and in no way alter, modify, amend, limit, or restrict any contractual obligations of the Parties.

1.3. All provisions of the SPA concerning matters of construction and interpretation shall apply to this Amendment.

2. LONG STOP DATE AMENDMENT

2.1. Section 8.1(a)(ii) of the SPA is hereby amended such that the term "Long Stop Date" shall mean *January 31, 2022*.

3. NET WORKING CAPITAL AMENDMENT

All references to Net Working Capital shall be deleted and removed from the SPA and the SPA shall be amended as more fully set forth in this Section 3.

3.1. The following definitions shall be deleted:

3.1.1. Cash;

3.1.2. Cash Equivalents;

3.1.3. Company Cash;

3.1.4. Debt/NWC Adjustment Amount;

3.1.5. Estimated Net Working Capital;

3.1.6. Net Working Capital;

3.1.7. Net Working Capital Adjustment Amount; and

3.1.8. Target Net Working Capital.

3.2. The following provisions shall be deleted in their entirety: Sections 2.2(b)(iv), 2.2(b)(v) and 2.2(c)(ii).

3.3. The following provisions shall be amended such that the notion of the Net Working Capital Adjustment Amount shall be removed: Sections 2.6(a)(ii) and 2.6(f).

3.4. Section 6.9(a) shall be amended such that the language shown as struck-out shall be deleted from the provision, and the provision shall be read without such struck-out language:

"*With respect to any Tax period of a Group Member that includes, but does not end on the Closing Date (a "**Straddle Period**") the amount of any (i) Taxes based on or measured by income, receipts or payroll; (ii) withholding Taxes; and (iii) value-added Taxes, in each case of a Group Member for the Pre-Closing Tax Period shall ~~be determined, for the purposes of calculating the Net Working Capital, based on an interim closing of the books as of the close of business on the Closing Date and the amount of other Taxes of the Group Members for the Straddle Period that relates to the Pre-Closing Tax Period shall~~ equal the amount of such Taxes for the entire Straddle Period multiplied by a fraction the numerator of which is the number of days in the portion of the period that ends on the Closing Date and the denominator of which is the number of days in the entire period (the "**Pre-Closing Tax Period**")*."

3.5. Section 9.1(a)(iv) shall be amended such that the language shown as struck-out shall be deleted from the provision, and the provision shall be read without such struck-out language:

"*any breach of any of the representations and warranties of the Individual Sellers made pursuant to Section 4.9, any and all Taxes (or the non-payment thereof) imposed on or with respect to the properties, income or operations of the Group, or for which any Group Member may be liable, for all taxable periods ending on or before the Closing Date and the portion of the Straddle Period through the end of the Closing Date ~~to the extent that such Taxes exceed the amount, if any, reserved for such Taxes (excluding any reserve for deferred Taxes established to reflect timing differences between book and Tax income) in calculating the Net Working Capital (rather than in any notes thereto)~~.*"

4. CONSIDERATION AMENDMENT

4.1. New definitions, of "Auto-Release Date" and "Business Combination Conditions" shall be added:

"***Auto-Release Date**" has the meaning set forth in Section 2.7(c)(iii)*"

"*"**Business Combination Conditions**" has the meaning as defined in Section 7.1.*"

4.2. Section 2.3 of the SPA shall be amended such that the following sub-Section (a)(1) shall be added in between Section 2.3(a) and Section 2.3(b):

"*Notwithstanding the foregoing, in the event of the waiver by the Purchaser of the New Business Combination Conditions as set forth in Section 7.1 below, at the Closing, the Purchaser shall:*

*(i) transfer to the Escrow Agent, (A) the Escrow Amount (for the purposes of this Section, the Closing Date Payment Amount less the Escrow Amount being referred to as the "**Net Closing Date Payment Amount**"); and (B) an amount equal to fifty percent (50%) of the Net Closing Date Payment Amount (the "**Purchase Price Escrow Amount**"); and*

(ii) *pay (or cause the payment of, on its behalf), subject to Section 2.9, to the Sellers (either directly or through a paying agent) in accordance with the Consideration Allocation Certificate (as adjusted pursuant to any agreement between the Seller and the Purchaser) by wire transfer of immediately available funds an amount equal to fifty percent (50%) of the Net Closing Date Payment Amount (the "**Cash Consideration**") in the proportions as set forth in Section 2.3(a)(ii).*"

4.3. Section 2.6(f)(i) shall be amended such that the payment of any Positive Adjustment Amount in Combined Company Stock shall only be made in the event the Business Combination Conditions were satisfied and the Closing payments were satisfied in accordance with Section 2.3(a), and therefore the provision shall read as follows (emphasis added for amended language):

"*If the Confirmed Purchase Price is greater than the Closing Date Payment Amount (a "**Positive Adjustment Amount**") then the Purchaser, either directly, by instruction to the Company or through a paying agent, subject to Section 2.9 below, shall pay (or cause the payment of, on its behalf), within five (5) Business Days, such difference to the Seller (subject to any withholdings required pursuant to the terms hereof), by either wire transfer (as per the payment instructions details set out in the Consideration Allocation Certificate) of immediately available funds or, **to the extent the Business Combination Conditions were satisfied and the Closing payments were satisfied in accordance with Section 2.3(a)**, the issuance of additional Combined Company Common Stock, or a mix thereof, as determined by the Purchaser;*"

4.4. A new Section (c) shall be added to the end of Section 2.7, as follows:

"*(c) In addition, to the extent the Purchaser proceeds in accordance with Section 2.3(a)(1), the Escrow Agent shall receive at Closing the Purchase Price Escrow Amount, and shall hold such until the earlier of:*

(i) A notice in writing from the Purchaser to the Escrow Agent certifying the completion of the Business Combination and attaching a certificate from the stock agent showing the Individual Sellers as the registered holders of the Individual Sellers Stock Consideration;

(ii) A notice in writing from the Purchaser to the Escrow Agent instructing the Escrow Agent to release the Purchase Price Escrow Amount to the Individual Sellers; and

(iii) 00:00 Israel time on August 1, 2022 (the "**Auto-Release Date**").

Upon notice to the Escrow Agent in accordance with sub-Section (i) above, the Escrow Agent shall release the Purchase Price Escrow Amount to the Purchaser. Upon notice to the Escrow Agent in accordance with sub-Section (ii) above, or in the event no such notice is delivered by the Auto-Release Date*, the Escrow Agent shall release the Purchase Price Escrow Amount to the Individual Sellers in accordance with their pro-rata portion as set forth in the Consideration Allocation Certificate.*"

4.5. Section 2.8 shall be amended as follows:

4.5.1. The definitions of "Annual Revenue", "First Earn-out Period" and "Second Earn-out Period" shall be deleted in their entirety and replaced with the following:

"*(i) "**Annual Revenue**" shall mean the Net Revenue generated in the relevant Earn-out Period;*

*(iii) "**First Earn-out Period**" shall mean the four quarters commencing the quarter in which the Closing occurs. For illustration purposes if the Closing occurs on September 10, 2021, the First Earn-out Period shall commence July 1, 2021 and conclude on June 30, 2022;*

*(vi) "**Second Earn-out Period**" shall mean four quarters commencing upon the expiration of the First Earn-out Period. For illustration purposes if the Closing occurs on September 10, 2021, the Second Earn-out Period shall commence July 1, 2022 and conclude on June 30, 2023; and*"

4.5.2. Sub-section (e) shall be deleted in its entirety and replaced with the following:

"*(e) The First Earn-out Payment, if any, shall be paid by the Purchaser and/or the Company solely in cash. The Second Earn-out Payment, if any, shall be paid by the Purchaser and/or the Company as follows: (i) in cash, or (ii) (A) up to fifty percent (50%) by wire transfer (as per the payment instructions details set out in the Consideration Allocation Certificate) of immediately available funds and (B) up to fifty percent (50%) by the issuance of additional Combined Company Common Stock, in each case, at the sole discretion of the Purchaser. In the event the Purchase elects to pay the Second Earn-out Payment to the Individual Sellers in accordance with (ii) above, the number of additional Combined Company Common Stock will be calculated based on the thirty (30) day weighted average of the Combined Company Common Stock as traded on the Nasdaq Capital Markets prior to the relevant payment date.*"

4.6. The lead in to Section 7.1 shall be deleted in its entirety and replaced with the following (emphasis added for amended language):

"*The obligations of each party to consummate the Acquisition and the other transactions contemplated hereby are subject to the satisfaction (or written waiver by* ***(i) each of the parties with respect to (a), (b) and (f) below, and (ii) the Purchaser with respect to (c), (d) and (e) below (the "Business Combination Conditions"), as more fully set forth at the end of this Section****) on or prior to the Closing Date of each of the following conditions*:"

4.7. The following shall be added as an addition to the end of Section 7.1:

"*Notwithstanding the foregoing, at any time, and upon a written notice to the Sellers' Representative, the Purchaser may choose to waive theBusiness Combination Conditions, and upon such waiver, the Closing shall proceed without the requirement of such conditions. In addition, by waiving such conditions, Purchase shall not be considered to be in breach or to have failed to act in accordance with any covenants and/or obligations hereunder (including, for the avoidance of doubt, Sections 6.1 and 7.4).*"

4.8. The following shall be added as a new sentence to the end of Section 7.3(c)(iv):

"*Notwithstanding the foregoing, to the extent the Purchaser waives the Business Combination Conditions as set forth in Section 7.1 above, this condition (iv) shall be null and void.*"

4.9. The following shall be added as a new sentence to the end of Section 6.1(a) :

"*To the extent the listing as required pursuant to Section 7.1(d) has not occurred prior to the Auto-Release Date, any reference in the SPA to the "Combined Company" in its capacity post-Closing, shall refer to the Purchaser*."

5. INDEBTEDNESS

The definition of "Indebtedness" shall be amended such that the following sentence shall be added to the end of the definition: "*Notwithstanding the foregoing, the loan granted by the Purchaser to the Company is expressly excluded from the Indebtedness.*"

6. GENERAL

6.1. This Amendment forms an integral part of the SPA and except as specifically modified in this Amendment, the provisions and terms set forth in the SPA shall remain in full force and effect and shall apply to this Amendment, mutatis mutandis. Attached hereto as **Exhibit A** is a redacted version (in tracked changes) of the SPA reflecting the changes as set forth herein.

6.2. In the event of any conflicting provisions between the terms and conditions of this Amendment and the provisions of the SPA, the terms and conditions of this Amendment shall prevail.

6.3. This Amendment hereby incorporates by reference Section 10.3 of the SPA.

6.4. This Amendment is being entered into in accordance with the provisions of Section 10.1 of the SPA and shall become effective upon execution thereof by the Parties hereto.

6.5. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original and enforceable against the parties hereto actually executing such counterpart, and all of which together shall constitute one and the same instrument.

[*Signature Page to Follow*]

IN WITNESS WHEREOF the parties have signed this Amendment to the Share Purchase Agreement as of the date first hereinabove set forth.

PURCHASER:

GAUZY LTD.

By: /s/ Eyal Peso
Name: Mr. Eyal Peso
Title: CEO

IN WITNESS WHEREOF the parties have signed this Amendment to the Share Purchase Agreement as of the date first hereinabove set forth.

COMPANY:

VISION LITE

By: /s/ Carl Putman
Name: Mr. Carl Putman
Title: President

IN WITNESS WHEREOF the parties have signed this Amendment to the Share Purchase Agreement as of the date first hereinabove set forth.

SELLERS:

PONTON

By: /s/ Carl Putman
Name: Mr. Carl Putman
Title: President

REFUGE

By: /s/ Catherine Robin
Name: Ms. Catherine Robin
Title: President

FONDS NOUVEL INVESTISSEMENT 2

By: /s/ Valérie Ducourty
Name: Eurazeo Investment Manager - EIM
Title: President
Itself represented by: Ms. Valérie Ducourty

SELLERS' REPRESENTATIVE:

By: /s/ Carl Putman
Name: Mr. Carl Putman

EXHIBIT A

SHARE PURCHASE AGREEMENT REFLECTING CHANGES AS CONTEMPLATED BY THIS AMENDMENT

Exhibit 10.27

Execution Version

AMENDMENT NO. 2 TO SHARE PURCHASE AGREEMENT

THIS AMENDMENT (this "**Amendment**") TO THE SHARE PURCHASE AGREEMENT dated as of February 7, 2021 and as amended by that first amendment dated, July 27, 2021 (collectively, the "**SPA**"), is made and entered into effective as of January 16, 2022 (the "**Effective Date**"), by and among (i) **Vision Lite**, a French *société par actions simplifiée*, having its registered office at Route d'Irigny – 69530 Brignais, registered under identification number 790 945 422 RCS Lyon (the "**Company**"); (ii) **PONTON**, a French *société par actions simplifiée*, having its registered office at Route d'Irigny – 69530 Brignais, registered under identification number 795 336 585 RCS Lyon, represented by its President, Mr. Carl Putman (the "**First Individual Seller**"); (iii) **REFUGE**, a French *société par actions simplifiée*, having its registered office at 9 rue Pierre Curie, 69500 Bron, registered under identification number 795 336 213 RCS Lyon, represented by its President Ms. Catherine Robin (the "**Second Individual Seller**" and together with the First Individual Seller, the "**Individual Sellers**"); (iv) **Fonds Nouvel Investissement 2**, a French *société d'investissement à capital variable*, having its registered office at 117, avenue des Champs Elysées – 75008 Paris registered under identification number 812 982 122 RCS Paris, represented by its President Eurazeo Investment Manager - EIM, a French *société anonyme*, having its registered office at 117, avenue des Champs Elysées – 75008 Paris registered under identification number 414 735 175 RCS Paris, itself represented by Ms. Valérie Ducourty, duly authorized for the purposes hereof ("**Eurazeo**" and together with the Individual Sellers, each a "**Seller**" and collectively, the "**Sellers**"); (v) **Mr. Carl Putman**, as the representative of the Sellers (the "**Sellers' Representative**"); and (vi) **Gauzy Ltd.**, a company organized under the laws of the State of Israel, having its principal offices at the 14 Hatchiya St., Tel-Aviv, Israel 6816914 (the "**Purchaser**").

The above parties shall be referred to hereinafter, each as a "**Party**" and collectively, the "**Parties**".

Capitalized terms used herein (including in the immediately preceding sentence) and not otherwise defined herein shall have the meanings set forth in the SPA.

RECITALS

WHEREAS, pursuant to the SPA, the Purchaser is to acquire one hundred percent (100%) of the Equity Securities of the Company;

WHEREAS, the Company requires funds for its cash-flow purposes; and

WHEREAS, the Parties hereto wish to amend the SPA in order to enable the transactions under the SPA to occur taking into account the cash flow needs of the Company.

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein, the Parties hereby agree to enter into this Amendment as follows:

1. DEFINITIONS AND INTERPRETATION

1.1. The recitals to this Amendment and the exhibits and schedules attached hereto constitute integral parts hereof.

1.2. Section headings are included in this Amendment for convenience only and shall not be used in the interpretation thereof and in no way alter, modify, amend, limit, or restrict any contractual obligations of the Parties.

1.3. All provisions of the SPA concerning matters of construction and interpretation shall apply to this Amendment.

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2. ESCROW AMENDMENT

The SPA shall be amended such that the escrow of twenty percent (20%) of the Closing Date Payment Amount shall be treated as follows:

2.1. The following definition shall be deleted:

"**Estimated Closing Balance Sheet**" has the meaning set forth in Section 2.2(c).

2.2. The "Transaction Expenses" definition shall be amended such that "*(vi) one half of the Escrow Agent's fees*" shall be deleted and sub-section (vii) shall be renumbered as (vi).

2.3. The following new definition shall be added to the SPA:

"**Net Closing Date Payment Amount**" means the Closing Date Payment Amount less the Escrow Amount.

2.4. The following Sections shall be amended as follows:

2.4.1. Section 2.2(c) shall be deleted and replaced in its entirety as follows:

"*Pre-Closing Statements. The Sellers and the Company shall prepare in accordance with French GAAP and with the Calculation Schedule and a certificate (substantially in the form attached hereto as **Exhibit A**), executed by the Chairman (Président) of the Company, detailing the Company's good faith estimate (the "**Closing Certificate**") of the following:*

(i) *all estimated Indebtedness of the Group as at the Closing Date (the "**Estimated Indebtedness**");*

(ii) *the estimated amount of Transaction Expenses, as shall be detailed and evidenced in an exhibit to be attached to the Closing Certificate (the "**Estimated Transaction Expenses**") including those expenses set out in **Schedule 1.1(a)(ii)**; and*

(iii) *the "**Consideration Allocation Certificate**", executed by the Sellers, setting out, among other things, in accordance with the terms hereof: (1) the estimated aggregate amount of the Closing Date Payment Amount calculated based on the above estimates; (2) the estimated aggregate amount of the Individual Sellers Stock Consideration; (3) the allocation of the Cash Consideration and the Individual Sellers Stock Consideration among the Sellers denominated in Euros (to be amended upon Closing pursuant to Section 1.2(k); and (4) payment instructions (including wire instruction details) to each of the Sellers.*

Following receipt of the Closing Certificate, the Sellers and the Company shall provide the Purchaser and its representatives with such access as may be reasonably required, upon reasonable notice, to those accounting books and records, working papers and access to Company's representatives required for auditing or involved in preparing the Closing Certificate. Prior to Closing, the Company, the Sellers and the Purchaser shall act reasonably in resolving in good faith any disagreements concerning the computation of any of the items included in the Closing Certificate, provided that if any item cannot be agreed by the Closing Date then this would not delay the Closing by more than three (3) Business Days and the Parties shall transact at the Closing with respect to any disagreed item, based on the Company's good faith estimation of such disagreed item (it being clarified that the foregoing shall not derogate from the post-Closing adjustment contemplated pursuant to Section 2.6 below)".

2.4.2. Section 2.3(a)(i) shall be deleted and replaced in its entirety as follows:

"*[RESERVED]*"

2.4.3. Section 2.3(a)1(i) shall be deleted and replaced in its entirety as follows:

"*transfer to the Escrow Agent an amount equal to fifty percent (50%) of the Net Closing Date Payment Amount (the **Purchase Price Escrow Amount**"); and*"

2.4.4. The reference in Section 2.5(b)(i) shall be amended to refer to *Section 2.3(a)1(ii)*.

2.4.5. Section 2.6(a) shall be deleted and replaced in its entirety as follows:

"*By no later than April 15, 2022, the Company shall prepare and deliver to the Purchaser and the Sellers the following:*

(i) "*A consolidated balance sheet of the Company, as of the 31 December 2021, prepared in accordance with French GAAP (the "**Closing Balance Sheet**"); and*"

*(ii) a certificate (the "**Closing Statement**"), setting forth its determination of: the Indebtedness and Transaction Expenses, in each case, as at the Closing Date and in accordance with the Closing Balance Sheet.*

"Following delivery of the Closing Balance Sheet and the Closing Statement, the Purchaser shall provide the Sellers' Representative with any supporting documentation for the Closing Balance Sheet and the Closing Statement that the Sellers' Representative may reasonably request including all paperwork and copies of source documents that support and document the determination and calculation of the Closing Balance Sheet and the Closing Statement. In addition, the Sellers' Representative shall be given all such access as it may reasonably require during the Purchaser's or the Company's normal business hours (or such other times as the Parties may agree) and upon reasonable notice to those accounting books and records of the Company in the possession of, and/or under the control of, the Purchaser and the Company, and access to such personnel or representatives, subject to privilege under applicable Law, of the Company and the Purchaser as it may reasonably require and without interfering with the day-to-day operation of the Company and the Purchaser, for the purpose of resolving any disputes or responding to any matters or inquiries raised concerning the documents delivered under this sub-Section 2.6(a) and/or the calculation thereof. If the Purchaser does not deliver a Closing Balance Sheet or Closing Statement before April 15, 2022, then the estimates provided by the Sellers and the Company in the Closing Certificate shall become final and binding upon all Parties".

2.4.6. Section 2.7(a) shall be deleted and replaced in its entirety as follows:

"*To provide for an escrow to secure and to serve as a fund in respect of the obligations of the Sellers under Article 9, the Purchaser, the Individual Sellers and the Escrow Agent, as an escrow agent shall, at Closing, enter into an escrow agreement, in the final form to be attached at Closing as **Exhibit B** hereto (the "**Escrow Agreement**"). By no later than April 15, 2022, the Purchaser shall transfer the Escrow Amount to the Escrow Agent to be deposited in an escrow account established by the Escrow Agent pursuant to the terms of the Escrow Agreement (the "**Escrow Account**"), provided that the Purchaser may off-set from such amount, any amount owed pursuant to Section 2.6(f)(ii). The Escrow Amount shall be invested in accordance with investment guidelines specified in the Escrow Agreement*"

2.4.7. A new Section 2.7(d) shall be added as follows:

"*It is agreed, that to the extent the Purchaser does not transfer the Escrow Amount to the Escrow Agent by April 15, 2022 (less any amounts owed pursuant to Section 2.6(f)(ii)), then the Purchaser shall pay to the Individual Sellers (in accordance with their Relevant Portions) a penalty amount of € 10,000 per day for each day of delay until payment.*"

2.4.8. Section 6.13(a) shall be deleted and replaced in its entirety as follows:

*"The Purchaser on the one hand, and the Individual Sellers, on the other hand, hereby agree that the Group shall, at any time from and after the Closing Date, be managed with a view to achieving the success of the Combined Company and the Group, taken as a whole. In addition, it is agreed that the Group shall be managed by Mr. Carl Putman, as the Chairman (Président), with the assistance of Ms. Catherine Robin, as the Managing Director (Directeur Général) of the Company, in 2021, 2022 and in 2023: (i) as regards 2021, in accordance with the 2021 Budget attached hereto as **Schedule 6.13 (i)** (the "**2021 Budget**"), (ii) as regards 2022, in accordance with the 2022 Budget attached hereto as **Schedule 6.13 (ii)** (the "**2022 Budget**", and collectively with the 2021 Budget, the "**Budget**"). Any amendment to the Budget shall be decided by the supervisory board of the Company. For any actions outside of the Budget, approval of the supervisory board of the Company shall be required".*

3. GENERAL

3.1. This Amendment forms an integral part of the SPA and except as specifically modified in this Amendment, the provisions and terms set forth in the SPA shall remain in full force and effect and shall apply to this Amendment, *mutatis mutandis*. Attached hereto as **Exhibit A** is a redacted version (in tracked changes) of the SPA reflecting the changes as set forth herein.

3.2. In the event of any conflicting provisions between the terms and conditions of this Amendment and the provisions of the SPA, the terms and conditions of this Amendment shall prevail.

3.3. This Amendment hereby incorporates by reference Section 10.3 of the SPA.

3.4. This Amendment is being entered into in accordance with the provisions of Section 10.1 of the SPA and shall become effective upon execution thereof by the Parties hereto.

3.5. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original and enforceable against the parties hereto actually executing such counterpart, and all of which together shall constitute one and the same instrument.

[*Signature Page to Follow*]

IN WITNESS WHEREOF the parties have signed this Amendment to the Share Purchase Agreement as of the date first hereinabove set forth.

PURCHASER:

GAUZY LTD.

By: /s/ Eyal Peso
Name: Mr. Eyal Peso
Title: CEO

By: /s/ Meir Peleg
Name: Mr. Meir Peleg
Title: CFO

IN WITNESS WHEREOF the parties have signed this Amendment to the Share Purchase Agreement as of the date first hereinabove set forth.

COMPANY:

VISION LITE

By: /s/ Carl Putman
Name: Mr. Carl Putman
Title: President

IN WITNESS WHEREOF the parties have signed this Amendment to the Share Purchase Agreement as of the date first hereinabove set forth.

SELLERS:

PONTON

By: /s/ Carl Putman
Name: Mr. Carl Putman
Title: President

REFUGE

By: /s/ Catherine Robin
Name: Ms. Catherine Robin
Title: President

FONDS NOUVEL INVESTISSEMENT 2

By: /s/ Valérie Ducourty
Name: Eurazeo Investment Manager - EIM
Title: President
Itself represented by: Ms. Valérie Ducourty

SELLERS' REPRESENTATIVE:

By: /s/ Carl Putman
Name: Mr. Carl Putman

EXHIBIT A

SHARE PURCHASE AGREEMENT REFLECTING CHANGES AS CONTEMPLATED BY THIS AMENDMENT NO. 2

Exhibit 10.28

Strictly confidential

SETTLEMENT AGREEMENT

This agreement (the "**Agreement**"), is made and entered into effective as of June 29, 2023 (the "**Effective Date**"), by and among (i) **Vision Lite**, a French *société par actions simplifiée*, having its registered office at Route d'Irigny – 69530 Brignais, registered under identification number 790 945 422 RCS Lyon (the "**Company**" or "**Vision Lite**") and (ii) **PONTON**, a French *société par actions simplifiée*, having its registered office at Route d'Irigny – 69530 Brignais, registered under identification number 795 336 585 RCS Lyon, represented by its President, Mr. Carl Putman ("**Ponton**"); (iii) **Mr. Carl Putman**, born September 5, 1955, residing 16, quai Rambaud, 69002 Lyon ("**Mr. Putman**"); and (iv) **Gauzy Ltd.**, a company organized under the laws of the State of Israel, having its principal offices at the 14 Hatchiya St., Tel-Aviv, Israel 6816914 ("**Gauzy**" or the "**Purchaser**") .

Reference is made to the share purchase agreement (the "**SPA**") dated as of February 7, 2021, as amended on July 27, 2021; January 16, 2022 and March 28, 2022 by and among (i) **Vision Lite**, (ii) **PONTON** (iii) **Mr. Carl Putman**, (iv) **Gauzy Ltd.**, and (v) **REFUGE**, a French *société par actions simplifiée*, having its registered office at 9 rue Pierre Curie, 69500 Bron, registered under identification number 795 336 213 RCS Lyon, represented by its President Ms. Catherine Robin ("**Refuge**").

The above parties shall be referred to hereinafter, each as a "**Party**" and collectively, the "**Parties**", being specified that Refuge is not a Party to this Agreement.

Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the SPA entered into by and between notably the Parties.

RECITALS

WHEREAS, pursuant to the SPA, the Purchaser has acquired one hundred percent (100%) of the Equity Securities of the Company as of January 26, 2022 (the "**Acquisition**");

WHEREAS, Mr. Putman is the Chairman (President) of the Company and wishes to depart from his position as Chairman as well as all other corporate duties within the Group effective as of September 30th , 2023;

WHEREAS, Ponton is the owner of 62,833 series D convertible preferred shares and 40,841 warrants for series D convertible preferred shares of Gauzy (together "**Ponton Securities**"), which were subscribed in relation to the Acquisition and subsequently pursuant to certain Series D Share Purchase Agreement, as such term is defined in Section 5 below, entered by and between Gauzy and the investors thereto, including Ponton;

WHEREAS, the Parties hereto have agreed to a full and exhaustive settlement both under conditions of the SPA and additional conditions as proscribed below, in order to take into account the managerial transition in anticipation of the departure of Mr. Putman from the Company;

WHEREAS, Considering that the Parties involved have reached an understanding, it is agreed that in the event of any inconsistencies or contradictions between this Agreement and the SPA, the terms and provisions of this Agreement shall supersede and prevail;

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein, the Parties hereby agree to enter into this Agreement as follows:

1. DEFINITIONS AND INTERPRETATION

1.1. The recitals to this Agreement and the exhibits and schedules attached hereto constitute integral parts hereof.

1.2. Section headings are included in this Agreement for convenience only and shall not be used in the interpretation thereof and in no way alter, modify, amend, limit, or restrict any contractual obligations of the Parties.

1.3. All provisions of the SPA concerning matters of construction and interpretation shall apply to this Agreement.

2. FIRST EARN-OUT AMOUNT

Reference is made hereby to Section 2.8 (*Earn-Out*) of the SPA, the Parties have agreed the following conditions regarding the First Earn-Out Amount and the First Earn-Out Payment.

2.1. First Earn-Out Amount (for the sole purpose of calculating Ponton's Relevant Portion under this Agreement) is equal to € 3,000,000 only for and shall be paid in cash to Ponton as an Individual Seller in three installments as follows, notwithstanding the Relevant Portion (ie. the percentages set forth in Annex II of the SPA) between the Individual Sellers set forth in Annex II of the SPA "*Allocation of the Earn-Out Amounts*":

		First Earn-Out Amount	Ponton's Relevant Portion of the First Earn-Out Amount
(i)	Amount to be paid by end of April 2023	750 000 €	525 000 €
(ii)	Amount to be paid by end of July 2023	1 250 000 €	875 000 €
(iii)	Amount to be paid by end of October 2023	1 000 000 €	700 000 €
	Total	**3 000 000 €**	**2 100 000 €**

2.2. Any portion of the First Earn-Out Amount due to Ponton and not paid by Gauzy within ninety (90) days from its due date indicated in the previous table shall give rise to the payment of late interest at the rate of seven percent (7%) per annum based on:

(a) the number of days between ninety (90) days after the due date and the actual date of payment of such amount (inclusive); and

(b) a three hundred sixty-five (365) day year.,

2.3. It is expressly agreed between the Parties that upon the occurrence of a listing of Gauzy on a US securities exchange ("**Gauzy Listing**"), the full amount of Ponton's Relevant Portion of the First Earn-Out Among not paid at such date shall be all accelerated and become due and payable within fifteen (15) days following occurrence of such event.

3. SECOND EARN-OUT AMOUNT

3.1. Reference is made hereby to Section 2.8 (*Earn-Out*) of the SPA, the Parties have agreed the following conditions regarding the Second Earn-Out Amount .

3.2. The definition of the Second Target Revenue shall be as follows:

*"**Second Target Revenue**" shall mean an amount of Annual Revenue in the Second Earn- out Period equal to € 54,446,000.*Any portion of the Second Earn-Out Amount due to Ponton and not paid by Gauzy within ninety (90) days from its due date shall give rise to the payment of late interest at the rate of three percent (7%) per annum based on:

(a) the number of days between ninety (90) days after the due date and the actual date of payment of such amount (inclusive); and

(b) a three hundred sixty-five (365) day year.

In the event that the SPA is amended subsequent to the execution of this agreement, specifically pertaining to the amendment of the First Earn-Out and/or Second Earn-Out amount allocation between Ponton and Refuge, the Earn-Out amounts stated in this agreement for Ponton shall be adjusted accordingly.

4. MANAGEMENT OF THE GROUP

4.1. Mr. Putman shall deliver on [September 30th, 2023] at the latest to the Purchaser (i) a duly signed amendment letter to the IP assignment deed dated January 26, 2022 to include one missing patent with respect to a "separator for movable furniture element" filed under number 20/06421 and (ii) a duly signed resignation letter effective as of September 30, 2023 from Mr. Putman's or Ponton's duties as:

- Chairman (*Président*) of Vision Lite
- Member of the Strategic Committee (*Conseil Stratégique*) of Vision Lite ; and
- if any, director, member of a supervisory board or other management body of any Group Company;

including confirmation by the leaving director, board, supervisory board or committee member that it does not, and will not, have any claim against the relevant Group Company or any of its Affiliates in connection with the exercise or termination of its respective duties and that the relevant Group Company and its respective Affiliates do not owe them any compensation or any other sum for any reason.

Mr. Putman represents and warrants that he is not bound by an employment contract to any Group Company. Subject to the full performance of the terms of this Agreement, Mr. Putman considers himself discharged from all his contractual or other rights, whether arising or accruing, due or to become due as a result of the exercise and subsequent termination of all functions of Mr. Putman within any Group Company, past or present (in whatever form and in whatever capacity), including the functions of Chairman (*Président*) of Vision Lite.

Mr. Putman (acting also on behalf of Ponton) (i) declares himself satisfied as to all his rights and claims resulting from the formation, the performance and termination of his contractual relations with the Company, or any other entity of the Group and (ii) acknowledges that he no longer has any claim to make as a result of the formation, performance and termination of his contractual relations, with respect to the Company and its general management, or any other entity/company belonging to the same Group as the Company, in France or abroad.

In particular, Mr. Putman (acting also on behalf of Ponton) renounces to any action relating to his contractual relations, whatever the nature thereof, whether civil, administrative or criminal, against the Company or its officers, its employees as well as all other companies belonging to the same Group as the Company, in France and abroad.

Prior to September 30, 2023, Mr. Putman undertakes:

- to ensure the proper handover to his successor during a duration which will be determined by Gauzy.
- to organize, at Gauzy's request an information meeting for the members of Senior Management of the Group to which the Company belongs,

4.2. Accordingly, Ponton agrees to waive Section 6.13(d) of the SPA as from the effective date of his resignation on September 30, 2023, for what concerns Mr. Putman, which provides that "*the Group shall be managed by Mr. Carl Putman, as the Chairman (Président), with the assistance of Ms. Catherine Robin, as the Managing Director (Directeur Général) of the Company, in 2021, 2022 and in 2023.*"

4.3. The Company will organize a farewell party for Mr. Putman.

5. GRANTING OF EQUITY AWARDS OF GAUZY

5.1. Reference is made hereby to Section 6.13(d) (*Post-Closing Incentives Plan*) of the SPA, where the Parties have agreed the following conditions regarding the Equity Awards for Mr. Putman. The Equity Awards to be granted to Mr. Putman (the "**CP Equity Awards**") for 2022 (calculated pro rata from February 1, 2022 to December 31, 2022) and for 2023 (calculated pro rata from January 1, 2022 to September 30, 2023) shall be vested until September 30, 2023 and by such date at the latest, Mr. Putman, in his capacity as Chairman of the Company, shall benefit from the granting of fully vested 506 Equity Awards of Gauzy. The table below details the calculation of the CP Equity Awards:

	Gross Annual Salary (in €)	Number of CP Equity Awards initially planned to be granted	Number of CP Equity Awards fully vested until 30/9/2023	Total Number of CP Equity Awards fully vested and finally granted
2022	200,000	823	342	342
2023	225,000	883	164	164
Total		**1,706**	**506**	**506**

5.2. Ponton Securities and CP Equity Awards shall be referred together as the "**Ponton and CP Securities**".

6. SHARES OF GAUZY

Reference is made to: (i) that certain Series D Share Purchase Agreement entered by and between Gauzy and the investors thereto (the "**Investors**") dated as of December 17, 2021 (the "**Series D SPA**"), (ii) that certain Amended and Restated Investors Rights Agreement by and among Gauzy, some Investors and the other parties referred to therein entered into as of event thereto (the "**IRA**"), the Parties have agreed the following conditions regarding the liquidity of Ponton and CP Securities and (iii) the Registration Rights and Limited Release of Lock-Up Restrictions letter (the "**Lock-Up Letter**") sent by Gauzy to Ponton as of November 30, 2022:

6.1. Capitalized terms used in this Article 5 and not otherwise defined herein shall have the meanings set forth in the Series D SPA, the IRA or the Lock-Up Letter.

6.2. If the event of Gauzy Listing, the Parties have agreed to reduce the Lock-Up Period of Ponton regarding Ponton and CP Securities to ninety (90) days as from Gauzy Listing and accordingly the Restricted Period shall be limited to ninety (90) days. Following the lapse of the Restricted Period, Ponton and Mr. Putman shall be free to sell the Ponton and CP Securities not previously sold without any further limitations other than the Trading Limitations.

6.3. If Gauzy Listing has not occurred prior to December 31st, 2023, Gauzy shall make its best efforts to help Ponton and Mr. Putman to sell Ponton and CP Securities to new or existing potential investors of Gauzy.

7. ADVISORY AGREEMENT

Ponton represented by its legal representative Mr. Putman and Vision Lite shall enter as of September 30, 2023 into an advisory agreement providing that Ponton will render advisory services to the Group on a 40% basis out of full time paid in return for fees representing a cost to the Group of € 7,500 euros per month.

Ponton and Gauzy agree that they will negotiate in good faith and in due time the scope of advice rendered by Ponton and the other terms of such advisory agreement.

8. CONFIDENTALITY

8.1. The Parties agree to keep the present Agreement and the circumstances surrounding it strictly confidential, and consequently refrain from making direct or indirect reference to it or disclosing it for any reason whatsoever to third parties (excluding their respective counsel), except as required by law, judicial or regulatory authority. In this case, the Party to whom the request is addressed undertakes to inform the other Party immediately and prior to any communication of the agreement.

8.2. Mr. Putman undertakes not to use for his own account or for the account of others, including any company, any confidential information of which he may have become aware, in particular concerning the financial, economic, commercial and administrative situation of the Company and of any company/entity to which it belongs.

9. NON DISPARAGEMENT - LOYALTY

9.1. Mr. Putman (directly or indirectly through his holding Ponton) undertakes not to do anything, say, suggest or undertake, nor authorize anyone to say or undertake anything that could harm the image, the consideration or the interests of the Group or of any of its direct or indirect shareholders or managers, past, present or future, including by implying that the Group, its managers or their shareholders have not respected their obligations. Mr. Putman (directly or indirectly through his holding Ponton) also undertakes not to solicit, canvass or employ current employees or corporate officers of any of the Group's entities for a period of twenty-four (24) months from the date of this Agreement.

9.2. More generally, the Parties agree to perform the Agreement in good faith and with loyalty.

10. GENERAL

10.1. This Agreement forms an integral part of the SPA binding only the Parties and except as specifically modified in this Agreement, the provisions and terms set forth in the SPA shall remain in full force and effect and shall apply to this Agreement, mutatis mutandis.

10.2. In the event of any conflicting provisions between the terms and conditions of this Agreement and the provisions of the SPA, the terms and conditions of this Agreement shall prevail.

10.3. This Agreement hereby incorporates by reference Section 10.3 of the SPA.

10.4. This Agreement is being entered into in accordance with the provisions of Section 10.1 of the SPA and shall become effective upon execution thereof by the Parties hereto.

10.1. This Agreement may be executed and delivered by facsimile, portable document format (.pdf) or any electronic signature complying with the U.S. federal ESIGN Act of 2000 (including DocuSign), and in multiple counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

[*Signature Page to Follow*]

IN WITNESS WHEREOF the parties have signed this Agreement as of the date first hereinabove set forth.

GAUZY LTD:

By: /s/ Eyal Peso
Name: Eyal Peso
Title: CEO

IN WITNESS WHEREOF the parties have signed this Agreement as of the date first hereinabove set forth.

COMPANY:

VISION LITE

By: /s/ Carl Putman
Name: Mr. Carl Putman
Title: President

PONTON:

By: /s/ Carl Putman
Name: Mr. Carl Putman
Title: President

Mr. Putman

/s/ Carl Putman

Exhibit 10.29

Strictly confidential

AMENDMENT TO SETTLEMENT AGREEMENT

This agreement (this "**Agreement**") amends the Settlement Agreement, as of June 29, 2023 (the "**Settlement Agreement**") and is made and entered into effective as of December 19, 2023 (the "**Effective Date**"), by and among (i) **Vision Lite**, a French *société par actions simplifiée*, having its registered office at Route d'Irigny – 69530 Brignais, registered under identification number 790 945 422 RCS Lyon (the "**Company**" or "**Vision Lite**") and (ii) **PONTON**, a French *société par actions simplifiée*, having its registered office at Route d'Irigny – 69530 Brignais, registered under identification number 795 336 585 RCS Lyon, represented by its President, Mr. Carl Putman ("**Ponton**"); (iii) **Mr. Carl Putman**, born September 5, 1955, residing 16, quai Rambaud, 69002 Lyon ("**Mr. Putman**"); and (iv) **Gauzy Ltd.**, a company organized under the laws of the State of Israel, having its principal offices at the 14 Hatchiya St., Tel-Aviv, Israel 6816914 ("**Gauzy**" or the "**Purchaser**") .

Reference is made to the Settlement Agreement and the share purchase agreement (the "**SPA**") dated as of February 7, 2021, as amended on July 27, 2021; January 16, 2022 , March 28, 2022 and June 22 2023 by and among (i) **Vision Lite**, (ii) **Ponton** (iii) **Mr. Carl Putman**, (iv) **Gauzy Ltd.**, and (v) **REFUGE**, a French *société par actions simplifiée*, having its registered office at 9 rue Pierre Curie, 69500 Bron, registered under identification number 795 336 213 RCS Lyon, represented by its President Ms. Catherine Robin ("**Refuge**").

The above parties shall be referred to hereinafter, each as a "**Party**" and collectively, the "**Parties**", being specified that Refuge is not a Party to this Agreement nor the Settlement Agreement.

Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the SPA entered into by and between notably the Parties.

RECITALS

WHEREAS, pursuant to the SPA, the Purchaser has acquired one hundred percent (100%) of the Equity Securities of the Company as of January 26, 2022 (the "**Acquisition**");

WHEREAS, Mr. Putman was the Chairman (President) of the Company and departed from his position as Chairman as well as all other corporate duties within the Group effective on October 31, 2023;

WHEREAS, Ponton is the owner of 62,833 series D convertible preferred shares and 40,841 warrants for series D convertible preferred shares of Gauzy (together "**Ponton Securities**"), which were subscribed in relation to the Acquisition and subsequently pursuant to certain Series D Share Purchase Agreement, as such term is defined in Section 5 below, entered by and between Gauzy and the investors thereto, including Ponton;

WHEREAS, on June 29th 2023 the Parties hereto entered into a Settlement Agreement under which terms the Parties agreed to a full and exhaustive settlement both under conditions of the SPA and additional conditions as proscribed in the Settlement Agreement, in order to take into account the managerial transition in anticipation of the departure of Mr. Putman from the Company;

WHEREAS, considering that following a change of events the Parties involved have agreed to waive and amend certain terms and conditions of the Settlement Agreement, the Parties agree that in the event of any inconsistencies or contradictions between this Agreement, the Settlement Agreement and the SPA, the terms and provisions of this Agreement shall supersede and prevail;

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein, the Parties hereby agree to enter into this Agreement as follows:

1. DEFINITIONS AND INTERPRETATION

1.1. The recitals to this Agreement and the exhibits and schedules attached hereto constitute integral parts hereof.

1.2. Section headings are included in this Agreement for convenience only and shall not be used in the interpretation thereof and in no way alter, modify, amend, limit, or restrict any contractual obligations of the Parties.

1.3. All provisions of the Settlement Agreement and SPA concerning matters of construction and interpretation shall apply to this Agreement.

2. FIRST EARN-OUT AMOUNT

Reference being made hereby to Section 2.8 (*Earn-Out*) of the SPA, the Parties agree the following conditions regarding the First Earn-Out Amount and the First Earn-Out Payment:

2.1. Ponton's Relevant Portion of the First Earn-Out Amount shall be reduced by € 600,000, (from € 2,400,000 to € 1,800,000) and paid in cash to Ponton as an Individual Seller in two installments as follows:

		Ponton's Relevant Portion of the First Earn-Out Amount
(i)	Amount to be paid by: December 31 2023	**€ 1,500,000**
(ii)	Amount to be paid by: February 29 2024	**€ 300,000**
	Total	**€ 1,800,000**

3. SECOND EARN-OUT AMOUNT

Reference being made hereby to Section 2.8 (Earn-Out) of the SPA and Section 3 of the Settlement Agreement, the Parties agree the following conditions regarding the Second Earn-Out Amount:

3.1. Ponton's Relevant Portion of the Second Earn-Out Amount shall be reduced by € 800,000 and paid in cash to Ponton at the latest of thirty (30) days of the delivery of the Financial Statements for the Second Earn-Out Period and April 30, 2024.

3.2. For the avoidance of doubt Ponton's relevant portion of the Second Earn Out Amount Shall be one of the following:

(1) €0 if the Company fails to achieve eighty percent (80%) of the Second Target Revenue;

(2) € 40,000 if the Company achieves eighty percent (80%) or more of the Second Target Revenue;

(3) € 950,000 if the Company achieves ninety percent (90%) or more of the Second Target Revenue;

(4) € 1,300,000 if the Company achieves one hundred percent (100%) or more of the Second Target Revenue.

3.3. Non payment of the Earn-Ous shall be considered a breach of this Agreement.

4. ADVISORY FEES

Within 30 days following the receipt of an invoice, Ponton represented by its legal representative Mr. Putman shall receive fees representing a total cost for the Company of € 7,500 for all advisory services rendered to the Group since his departure from his position as Chairman as well as all other corporate duties within the Group effective on October 31, 2023 and up to the Effective date in return for which declares himself satisfied as to all his rights and claims resulting from the formation, the performance and termination of his advisory relations with the Company.

5. WAIVER AND RELEASE :

5.1. Mr. Putman (acting also on behalf of Ponton) (i) declares himself satisfied as to all his rights and claims resulting from the formation, performance and termination of his position of Chairman (President) of the Company and/or contractual relations with the Company including his advisory relations with the Company, or any other entity of the Group and (ii) acknowledges that he no longer has any claim to make as a result of any such formation, performance and termination of his position of Chairman (President) of the Company and/or contractual relations with the Company or any other entity of the Group including his advisory relations with the Company, with respect to the Company and its general management, or any other entity/company belonging to the same Group as the Company, in France or abroad.

5.2. In particular, Mr. Putman (acting also on behalf of Ponton) renounces to any action relating to the formation, performance and termination of his position of Chairman (President) of the Company and/or contractual relations, whatever the nature thereof, whether civil, administrative or criminal, against the Company or its officers, its employees as well as all other companies belonging to the same Group as the Company, in France and abroad.

In parallel to the acknowledgments and renunciations made by Mr. Putman (also acting on behalf of Ponton) as outlined in clauses 4.1 and 4.2, the Company hereby:

5.3. (i) Declares itself satisfied regarding any and all rights and claims that might arise from the formation, performance, and termination of Mr. Putman's (and Ponton's) position as Chairman (President) of the Company, as well as their contractual relations with the Company or any other entity within the Group.

5.4. (ii) Acknowledges that it will not initiate or pursue any legal actions, of any nature, whether civil, administrative, or criminal, against Mr. Putman (and Ponton) related to the formation, performance, and termination of their roles and contractual relations with the Company or any other entity within the Group.

5.5. This release is, however, subject to the condition that it does not apply to any matters, actions, or circumstances that the Company was not aware of as of the effective date of this agreement.

6. CONFIDENTALITY

6.1. The Parties agree to keep the present Agreement and the circumstances surrounding it strictly confidential, and consequently refrain from making direct or indirect reference to it or disclosing it for any reason whatsoever to third parties (excluding their respective counsel), except as required by law, judicial or regulatory authority. In this case, the Party to whom the request is addressed undertakes to inform the other Party immediately and prior to any communication of the agreement.

6.2. Mr. Putman undertakes not to use for his own account or for the account of others, including any company, any confidential information of which he may have become aware, in particular concerning the financial, economic, commercial and administrative situation of the Company and of any company/entity to which it belongs.

7. NON DISPARAGEMENT – LOYALTY

7.1. Mr. Putman (directly or indirectly through his holding Ponton) undertakes not to do anything, say, suggest or undertake, nor authorize anyone to say or undertake anything that could harm the image, the consideration or the interests of the Group or of any of its direct or indirect shareholders or managers, past, present or future, including by implying that the Group, its managers or their shareholders have not respected their obligations. Mr. Putman (directly or indirectly through his holding Ponton) also undertakes not to solicit, canvass or employ current employees or corporate officers of any of the Group's entities for a period of twenty-four (24) months from the date of this Agreement.

7.2. Any violation of the provisions outlined in section 7.1 above shall be deemed a significant breach of this agreement. Consequently, such a breach shall absolve the Group from any and all obligations set forth in this agreement, with specific regard to sections 2 and 3, which pertain to the disbursement of Earn-Out Amounts.

7.3. More generally, the Parties agree to perform the Agreement in good faith and with loyalty.

8. GENERAL

8.1. This Agreement forms an integral part of the SPA binding only the Parties and except as specifically modified in this Agreement, the provisions and terms set forth in the SPA shall remain in full force and effect and shall apply to this Agreement, mutatis mutandis.

8.2. In the event of any conflicting provisions between the terms and conditions of this Agreement and the provisions of Settlement Agreement and/or the SPA, the terms and conditions of this Agreement shall prevail.

8.3. This Agreement hereby incorporates by reference Section 10.3 of the SPA.

8.4. This Agreement is being entered into in accordance with the provisions of Section 10.1 of the SPA and shall become effective upon execution thereof by the Parties hereto.

8.1. This Agreement may be executed and delivered by facsimile, portable document format (.pdf) or any electronic signature complying with the U.S. federal ESIGN Act of 2000 (including DocuSign), and in multiple counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

[*Signature Page to Follow*]

IN WITNESS WHEREOF the parties have signed this Agreement as of the date first hereinabove set forth.

GAUZY LTD:

By: /s/ Eyal Peso
Name: Eyal Peso
Title: CEO

IN WITNESS WHEREOF the parties have signed this Agreement as of the date first hereinabove set forth.

COMPANY:

VISION LITE

By: /s/ Eyal Peso
Name: Mr. Eyal Peso
Title: President

PONTON:

By: /s/ Carl Putman
Name: Mr. Carl Putman
Title: President

Mr. Putman

/s/ Carl Putman

Exhibit 10.30

Strictly confidential

SECOND AMENDMENT TO SETTLEMENT AGREEMENT

This agreement (this "**Agreement**") amends the Settlement Agreement, as of June 29, 2023 as amended on December 19, 2023 (the "**Settlement Agreement**") and is made and entered into effective as of March 19, 2024 (the "**Effective Date**"), by and among (i) **Vision Lite**, a French *société par actions simplifiée*, having its registered office at Route d'Irigny – 69530 Brignais, registered under identification number 790 945 422 RCS Lyon (the "**Company**" or "**Vision Lite**") and (ii) **PONTON**, a French *société par actions simplifiée*, having its registered office at Route d'Irigny – 69530 Brignais, registered under identification number 795 336 585 RCS Lyon, represented by its President, Mr. Carl Putman ("**Ponton**"); (iii) **Mr. Carl Putman**, born September 5, 1955, residing 16, quai Rambaud, 69002 Lyon ("**Mr. Putman**"); and (iv) **Gauzy Ltd.**, a company organized under the laws of the State of Israel, having its principal offices at the 14 Hatchiya St., Tel-Aviv, Israel 6816914 ("**Gauzy**" or the "**Purchaser**") .

Reference is made to the Settlement Agreement and the share purchase agreement (the "**SPA**") dated as of February 7, 2021, as amended on July 27, 2021; January 16, 2022 , March 28, 2022 and June 22, 2023 by and among (i) **Vision Lite**, (ii) **Ponton** (iii) **Mr. Putman**, (iv) **Gauzy Ltd.**, and (v) **REFUGE**, a French *société par actions simplifiée*, having its registered office at 9 rue Pierre Curie, 69500 Bron, registered under identification number 795 336 213 RCS Lyon, represented by its President Ms. Catherine Robin ("**Refuge**").

The above parties shall be referred to hereinafter, each as a "**Party**" and collectively, the "**Parties**", being specified that Refuge is not a Party to this Agreement nor the Settlement Agreement.

Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the SPA entered into by and between notably the Parties.

RECITALS

WHEREAS, pursuant to the SPA, the Purchaser has acquired one hundred percent (100%) of the Equity Securities of the Company as of January 26, 2022 (the "**Acquisition**");

WHEREAS, Mr. Putman was the Chairman (President) of the Company and departed from his position as Chairman as well as all other corporate duties within the Group effective on October 31, 2023;

WHEREAS, Ponton is the owner of 62,833 series D convertible preferred shares and 40,841 warrants for series D convertible preferred shares of Gauzy (together "**Ponton Securities**"), which were subscribed in relation to the Acquisition and subsequently pursuant to certain Series D share purchase agreement, entered by and between Gauzy and investors thereto, including Ponton;

WHEREAS, on June 29th 2023 as amended on December 19, 2023 the Parties hereto entered into a Settlement Agreement, under which terms the Parties agreed to a full and exhaustive settlement both under conditions of the SPA and additional conditions as proscribed in the Settlement Agreement, in order to take into account the managerial transition in anticipation of the departure of Mr. Putman from the Company;

WHEREAS, considering that following a change of events the Parties involved have agreed to waive and amend certain terms and conditions of the Settlement Agreement, the Parties agree that in the event of any inconsistencies or contradictions between this Agreement, the Settlement Agreement and the SPA, the terms and provisions of this Agreement shall supersede and prevail;

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein, the Parties hereby agree to enter into this Agreement as follows:

1. DEFINITIONS AND INTERPRETATION

1.1. The recitals to this Agreement and the exhibits and schedules attached hereto constitute integral parts hereof.

1.2. Section headings are included in this Agreement for convenience only and shall not be used in the interpretation thereof and in no way alter, modify, amend, limit, or restrict any contractual obligations of the Parties.

1.3. All provisions of the Settlement Agreement and SPA concerning matters of construction and interpretation shall apply to this Agreement.

2. SECOND EARN-OUT AMOUNT

Reference being made hereby to Section 2.8 (Earn-Out) of the SPA, the Parties agree the following conditions regarding the Second Earn-Out Amount:

(1) The Relevant Portion of the Second Earn-Out Amount, totaling €1,150,000, shall be paid in cash to Ponton by Gauzy. Gauzy shall exert its best efforts to effectuate the payment prior to April 15th, 2024, with the official deadline for payment being April 25th, 2024, and allowing for a grace period of 5 calendar days thereafter. In the event that Gauzy fails to initiate payment by April 30th, 2024, the Relevant Portion of the Second Earn-Out Amount shall increase to €1,300,000.

3. RESTRICTIONS ON TRANSFER OF THE PONTON SECURITIES

Ponton hereby agrees, undertakes and confirms to Gauzy and the Company the agreements and undertakings contained in Schedule I in relation to Ponton Securities.

4. CONFIDENTIALITY

4.1. The Parties undertake to keep the present Agreement strictly confidential, except to produce it before representatives of governmental agencies and before courts, at the request and on the official order of the latter. In this case, the Party to whom the request is addressed undertakes to inform the other Party immediately and prior to any communication of this Agreement.

4.2. The Parties however agree that the information provided in Schedule 1 of this Agreement ("*Restrictions on Transfer of the Ponton Securities*") may be shared by Gauzy or any other companies of the Group with third parties in the event of a transaction involving the Group or one of its companies, including in relation to external growth and financing transactions, subject to such third parties being bound by a confidentiality/non-disclosure agreement with the Company or companies of the Group.

4.3. The Parties also agree that information in Schedule 1 may be communicated in any public documentation required under relevant securities laws and regulations and by the relevant authorities, including stock market authorities (including, but not limited to, prospectuses, stock market publications and press releases).

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5. GENERAL

5.1. This Agreement forms an integral part of the SPA binding only the Parties and except as specifically modified in this Agreement, the provisions and terms set forth in the SPA shall remain in full force and effect and shall apply to this Agreement, mutatis mutandis.

5.2. In the event of any conflicting provisions between the terms and conditions of this Agreement and the provisions of Settlement Agreement and/or the SPA, the terms and conditions of this Agreement shall prevail.

5.3. This Agreement hereby incorporates by reference Section 10.3 of the SPA.

5.4. This Agreement is being entered into in accordance with the provisions of Section 10.1 of the SPA and shall become effective upon execution thereof by the Parties hereto.

5.1. This Agreement may be executed and delivered by facsimile, portable document format (.pdf) or any electronic signature complying with the U.S. federal ESIGN Act of 2000 (including DocuSign), and in multiple counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

[*Signature Page to Follow*]

IN WITNESS WHEREOF the parties have signed this Agreement as of the date first hereinabove set forth.

GAUZY LTD:

By: /s/ Eyal Peso
Name: Eyal Peso
Title: CEO

IN WITNESS WHEREOF the parties have signed this Agreement as of the date first hereinabove set forth.

COMPANY:

VISION LITE

By: /s/ Eyal Peso
Name: Mr. Eyal Peso
Title: President

PONTON:

By: /s/ Carl Putman
Name: Mr. Carl Putman
Title: President

Mr. Putman

/s/ Carl Putman

SCHEDULE 1 - RESTRICTIONS ON TRANSFER OF THE PONTON SECURITIES

PONTON, a French *société par actions simplifiée*, having its registered office at Route d'Irigny – 69530 Brignais, registered under identification number 795 336 585 RCS Lyon, represented by its President, Mr. Carl Putman ("**Ponton**") hereby agrees and undertakes to **Gauzy Ltd.**, a company organized under the laws of the State of Israel, having its principal offices at the 14 Hatchiya St., Tel-Aviv, Israel 6816914 ("**Gauzy**") that:

- Until the consummation of an IPO (as such term is defined in Gauzy's Articles of Association (the "**Article**s"), Ponton hereby waives any pre-emptive, right of first refusal, co-sale, registration and any other rights under the Articles (including, without limitation, pursuant to Articles 15, 26 and 27 of the Articles), the Side Letter by and among the Company and Ponton dated November 30, 2022 and that certain Amended and Restated Investors Rights Agreement by and among Gauzy, certain investors and the other parties referred to therein, dated January 27, 2022;

- Until the earlier of (i) an IPO, ([ii) 19 March 2025 and (]ii) a Deemed Liquidation event (as such term is defined in the Articles), neither Mr Putman nor Ponton shall be permitted to directly or indirectly sell, assign, transfer, pledge, hypothecate or otherwise encumber or dispose of in any way ("**Transfer**") any of the Ponton Securities to any party, without the prior written consent of Gauzy's Board of Directors. Notwithstanding the foregoing, Ponton may Transfer its shares to its Permitted Transferees (as such term is defined in the Articles) provided such Permitted Transferee(s) undertakes in writing to Gauzy to abide by and be subject to the terms of Schedule 1 of this Agreement, and

- Ponton will enter into and abide by any lock-up or such other no sale agreement with Gauzy and/or its underwriters, as required by such underwriters, in connection with an IPO of Gauzy.

Exhibit 10.31

Execution Version

AMENDMENT NO. 1 TO NOTE PURCHASE AGREEMENT

This **AMENDMENT NO. 1 TO NOTE PURCHASE AGREEMENT** (this "Amendment"), dated as of January 29, 2024, is entered into by and among GAUZY LTD., a limited liability company organized under the laws of the State of Israel (the "Company"), VISION LITE SAS, a French *société par actions simplifée* (the "French Issuer"), the other Guarantors identified on the signature pages hereof, the Purchasers identified on the signature pages hereof (such purchasers, and the other purchasers party to the below-defined Note Purchase Agreement, together with their respective successors and permitted assigns, each individually, a "Purchaser", and collectively, the "Purchasers"), and OIC INVESTMENT AGENT, LLC, as the Administrative Agent (the "Administrative Agent").

W I T N E S S E T H

WHEREAS, the Company, the French Issuer, the other Guarantors from time to time party thereto, the Purchasers from time to time party thereto, the Administrative Agent and OIC INVESTMENT AGENT, LLC, as the Collateral Agent are parties to that certain Note Purchase Agreement, dated as of January 9, 2024 (the "Existing Note Purchase Agreement," and the Existing Note Purchase Agreement as amended hereby, the "Note Purchase Agreement");

WHEREAS, the Company has requested that, at any time during the period from and after the Closing Date and until April 1, 2024, the Purchasers agree to purchase additional Notes (such Notes, the "Additional Notes" and the date of issuance of such Notes, the "Additional Notes Issuance Date") from the French Issuer in an aggregate original principal amount of $2,500,000 and to amend the Existing Note Purchase Agreement to provide for, among other things, the foregoing;

WHEREAS, upon the terms and conditions set forth herein, the Administrative Agent and the Purchasers constituting the Required Purchasers are willing to amend the Existing Note Purchase Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Defined Terms. All initially capitalized terms used herein (including the preamble and recitals hereof) without definition shall have the meanings ascribed thereto in the Note Purchase Agreement.

2. Amendments to Existing Note Purchase Agreement. Subject to the satisfaction (or waiver in writing by Administrative Agent) of the conditions precedent set forth in Section 3 hereof:

(a) the Existing Note Purchase Agreement (other than the schedules and exhibits attached thereto) shall be amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the bold and double-underlined text (indicated textually in the same manner as the following example: **bold and double-underlined text**) as set forth on the pages of the Note Purchase Agreement attached as Annex A hereto; and

(b) Annex I of the Existing Note Purchase Agreement shall be amended and restated in its entirety as attached as Annex B hereto.

(c) Annex II of the Existing Note Purchase Agreement shall be amended and restated in its entirety as attached as Annex C hereto.

(d) Schedule 5.22(c) shall be annexed to the Note Purchase Agreement as attached as Annex D hereto.

(e) The parties hereto acknowledge and agree that the Company makes no representation, and shall incur no liability with respect to, any corporate authorization in connection with the Additional Notes in connection with the Additional Notes and any obligations incurred in connection therewith, and, notwithstanding anything to the contrary herein (including the amended and restated Note Purchase Agreement attached as Annex A) or in any other Note Document, any obligations and liabilities of the Company under any Note Document in connection with the Additional Notes Commitment or the Additional Notes are subject to, and conditioned upon, the Company obtaining such corporate authorizations. Any representations and warranties made by the Company prior to delivery of the Officer's Certificate of the Company on the date of the Notice Issuance pursuant to Section 2.11(c) of the Note Purchase Agreement (as amended hereby) shall be qualified by, and shall carve out, the foregoing.

3. Condition Precedent to Amendment. The effectiveness of this Amendment is conditioned on the satisfaction in full, in a manner satisfactory to the Purchasers and the Administrative Agent, or waiver, of each of the following conditions precedent (the time at which all such conditions are so satisfied is referred to herein as the "Amendment No. 1 Effective Date"):

(a) Amendment No. 1. Receipt by the Administrative Agent and the Purchasers of executed counterparts of this Amendment, duly executed and delivered by the parties thereto.

(b) Representations and Warranties. The representations and warranties of each Note Party set forth in the Note Purchase Agreement and any other Note Documents shall be true and correct in all material respects (except where already qualified by materiality or Material Adverse Effect, in which case, such representations and warranties shall be true and correct in all respects) on and as of the date hereof (unless stated to relate solely to an earlier date, in which case such representations and warranties were true and correct as of such earlier date).

(e) No Default or Event of Default. No Default or Event of Default shall have occurred and be continuing on the date hereof.

4. GOVERNING LAW. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AMENDMENT AND ANY DISPUTE OR CLAIMS ARISING IN CONNECTION THEREWITH SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

5. JURISDICTION; ETC. THIS AMENDMENT SHALL BE SUBJECT TO THE PROVISIONS REGARDING GOVERNING LAW; JURISDICTION; ETC.; SET FORTH IN SECTION 10.09 OF THE NOTE PURCHASE AGREEMENT, AND SUCH PROVISIONS ARE INCORPORATED HEREIN BY THIS REFERENCE, *MUTATIS MUTANDIS*.

6. Counterparts; Electronic Execution. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment and the other Note Documents to which a Note Party is party constitute the entire contract between and among the parties relating to the subject matter hereof and thereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 3, this Amendment shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Delivery of an executed counterpart of a signature page to this Amendment by telecopy or scanned electronic transmission shall be effective as delivery of a manually executed counterpart of this Amendment. The words "execution," "execute", "signed," "signature," and words of like import in or related to any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

7. Limited Effect. Except as expressly provided herein, the Note Purchase Agreement and the other Note Documents shall remain unmodified and in full force and effect. This

Amendment shall not be deemed (a) to be a waiver of, consent to, or a modification or amendment of any other term or condition of the Note Purchase Agreement or any other Note Document, (b) to prejudice any right or rights which the Administrative Agent or the Purchasers may now have or may have in the future under or in connection with the Note Purchase Agreement or the other Note Documents or any of the instruments or agreements referred to therein, as the same may be amended, restated, supplemented or modified from time to time, (c) to be a commitment or any other undertaking or expression of any willingness to engage in any further discussion with the Company or any of its Subsidiaries or any other Person with respect to any other waiver, amendment, modification or any other change to the Note Purchase Agreement or the other Note Documents or any rights or remedies arising in favor of the Purchasers or the Administrative Agent, or any of them, under or with respect to any such documents or (d) to be a waiver of, or consent to, or a modification or amendment of, any other term or condition of any other agreement by and among the Note Parties, on the one hand, and the Administrative Agent or any Purchaser, on the other hand. Without limiting the generality of the foregoing, the execution and delivery of this Amendment shall not constitute a novation of any indebtedness or other obligations owing to the Purchasers or the Administrative Agent under the Note Purchase Agreement based on facts or events occurring or existing prior to the execution and delivery of this Amendment.

8. Severability. Any provision of this Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

9. Costs and Expenses. As an inducement to the Administrative Agent and the Purchasers entering into this Amendment and as otherwise required under the Note Documents, the Company hereby agrees to pay, following execution and delivery of this Amendment, all cost and expenses of the Administrative Agent and the Purchasers incurred in connection with this Amendment and the matters contemplated herein, including all reasonable attorney's fees.

10. Note Document. This Amendment shall constitute a Note Document for all purposes of the Note Purchase Agreement and the other Note Documents. Each reference in the Note Purchase Agreement to "this Agreement", "hereunder", "hereof", "herein", or words of like import, and each reference to the Note Purchase Agreement in any other Note Document shall be deemed a reference to the Note Purchase Agreement as amended hereby.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have entered into this Amendment as of the date first above written.

GAUZY LTD., as the Company and Guarantor

By: /s/ Eyal Peso / s/ Meir Peleg
Name: Eyal Peso Meir Peleg
Title: CEO CFO

VISION LITE SAS, as French Issuer and Guarantor

By: /s/ Eyal Peso
Name:
Title:

GAUZY USA, INC., as Guarantor

By: /s/ Eyal Peso
Name:
Title:

GAUZY GMBH, as Guarantor

By: /s/ Eyal Peso
Name:
Title:

[Signature Page to Amendment No. 1 to Note Purchase Agreement]

OIC INVESTMENT AGENT, LLC,
as Administrative Agent

By: /s/ Jeremy Glick
Name: Jeremy Glick
Title: Investment Partner

OIC GROWTH FUND I, L.P.,
as a Purchaser

By: /s/ Jeremy Glick
Name: Jeremy Glick
Title: Investment Partner

OIC GROWTH FUND I PV, L.P.,
as a Purchaser

By: /s/ Jeremy Glick
Name: Jeremy Glick
Title: Investment Partner

OIC GROWTH FUND I AUS, L.P.
as a Purchaser

By: /s/ Jeremy Glick
Name: Jeremy Glick
Title: Investment Partner

OIC GROWTH FUND I GPFA, L.P.
as a Purchaser

By: /s/ Jeremy Glick
Name: Jeremy Glick
Title: Investment Partner

ANNEX A

AMENDED NOTE PURCHASE AGREEMENT

[See Attached]

ANNEX B

ANNEX I TO NOTE PURCHASE AGREEMENT

[See Attached]

ANNEX I
TO
NOTE PURCHASE AGREEMENT

Commitments

Purchaser	Total Commitments (Not including Additional Notes Commitments)	Total Additional Notes Commitments
OIC Growth Fund I, L.P.	$ 4,600,832	$ 489,450
OIC Growth Fund I PV, L.P.	$ 3,882,271	$ 413,008
OIC Growth Fund I AUS, L.P.	$ 13,622,004	$ 1,449,149
OIC Growth Fund I GPFA, L.P.	$ 1,394,893	$ 148,393
Total	**$ 23,500,000**	**$ 2,500,000**

ANNEX C

ANNEX II TO NOTE PURCHASE AGREEMENT

[See Attached]

ANNEX D

SCHEDULE 5.22(c) TO NOTE PURCHASE AGREEMENT

Schedule 5.22(c)

1. Within 3 Business Days of the Closing Date, (x) the German Security Document shall have been duly executed and delivered by the Persons intended to be parties thereto and shall be in full force and effect and (y) the Administrative Agent shall have received, in each case addressed to the Administrative Agent, the Purchasers and the Collateral Agent, in form and substance reasonably satisfactory to the Administrative Agent (i) a capacity opinion from German counsel to the Note Parties, (ii) a German law enforceability opinion from Latham & Watkins LLP, German counsel to the Purchasers and (iii) a capacity opinion from Israeli counsel to the Note Parties.

2. Within 60 days of the Closing Date, the Company shall have duly executed and delivered, in each case, in form and substance reasonably satisfactory to the Administrative Agent: (x) New York law governed short form security agreements in respect of certain items of its Intellectual Property registered in the United States as agreed between the Company and the Administrative Agent, (y) a New York law governed security agreement in respect of that certain license under the SPD Film, Emulsion and End-Product License Agreement, dated September 30, 2017, between the Company and Research Frontiers Incorporated, provided that the execution of such agreement and perfection of the security interests thereunder shall be made without notification to, or consent of, Research Frontiers Incorporated.

Exhibit 10.32

Execution Version

Amendment to Warrant to Purchase Preferred Shares

THIS AMENDMENT TO THAT WARRANT TO PURCHASE PREFERRED SHARES (this "**Amendment**") is made as of the 5th day of April 2024, by **OIC Growth Gauzy Holdings, LLC** (the "**Holder**") and **Gauzy Ltd.**, a company incorporated and existing under the laws of the State of Israel having its principal offices at the 14 Hatchiya St., Tel-Aviv, Israel 6816914 (the "**Company**").

R e c i t a l s :

Whereas, on January 29, 2024 the Company issued to the Holder the Warrant to Purchase, among others, Preferred D-5 Shares (the "**Warrant**"), and the Holder and the Company wish to amended the Warrant as set forth in this Amendment.

A g r e e m e n t :

NOW, THEREFORE, in consideration of the foregoing, the terms and conditions set forth in this Amendment, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Company and Holder hereby agree as follows:

1. Capitalized Terms. Each capitalized term used but not otherwise defined in this Amendment shall have the meaning ascribed to such term in the Warrants.

2. Amendments. The following amendments shall be effective as of the date hereof:

(a) The total number of shares referenced to in clause (a) of the definition of Warrant Shares shall hereby be increased by up to an additional 14,941 (or such lesser pro-rated number of shares in accordance with the proportion that the principal amount of Additional Notes issued and purchased by the Purchasers bears to $2,500,000), to a total of up to 155,385 Preferred D-5 Shares.

(b) Section 1 of the Warrant is hereby amended by adding the following defined term in alphabetical order with the other defined terms contained therein:

""**OIC Holders**" means, collectively, OIC Growth Fund I AUS, L.P., OIC Growth Fund I GPFA, L.P., OIC Growth Fund I, L.P., OIC Growth Fund I PV, L.P. and the Holder."

(c) Section 5 of the Warrant is hereby amended by adding the following clause (d) at the end of such section:

"(d) Maximum Percentage. Notwithstanding anything to the contrary contained herein, following an IPO (as defined in the Articles), the Holder shall not be entitled to exercise this Warrant to the extent that such exercise would result in the Holder together with any other "attribution parties" collectively beneficially owning in the aggregate in excess of 4.99% (the "**Maximum Percentage**") of the number of Ordinary Shares outstanding immediately after giving effect to such exercise; provided, however, that (i) the Maximum Percentage shall automatically increase to 9.99% if, at the time of such exercise, the OIC Holders, together with any other "attribution parties," file any Securities and Exchange Commission reports required as a result of such OIC Holders and such other "attribution parties" collectively beneficially owning in the aggregate in excess of 4.99% of the number of Ordinary Shares outstanding and (ii) at any time, upon not less than 61 days written notice to the Company, the Holder may increase or decrease the Maximum Percentage to any other percentage. For purposes of this Section 5, "attribution parties" means, the Holder, its affiliates and any other persons whose beneficial ownership of Ordinary Shares would be aggregated with the Holder's for purposes of Section 13(d) of the Securities Exchange Act of 1934. To the extent that the limitation contained in this section applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any affiliates and attribution parties) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any affiliates and attribution parties) and of which portion of this Warrant is exercisable, in each case subject to the Maximum Percentage, and the Company shall have no obligation to verify or confirm the accuracy of such determination. Notwithstanding the foregoing, (a) for purposes of this Warrant, in determining the number of Ordinary Shares outstanding, the Holder may rely on the number of Ordinary Shares as reflected in (i) the Company's most recent Form 20-F, Form 10-K or Form 10-Q, as the case may be, filed with the Commission prior to the Exercise Date, (ii) a more recent public announcement by the Company or (iii) any other notice by the Company or the Company's transfer agent setting forth the number of Ordinary Shares then outstanding, and (b) upon the written request of the Holder, the Company shall within three (3) Business Days confirm in writing or by electronic mail to the Holder the number of Ordinary Shares then outstanding.

3. No Other Amendments. Except as expressly amended as set forth in this Amendment, all terms and provisions of the Warrant shall remain unchanged and in full force and effect.

4. Governing Law. All questions concerning the construction and interpretation of this Amendment shall be governed by and construed in accordance with the internal laws of the State of Israel, without giving effect to any choice of law or other conflict of law provision or rule (whether of the State of Israel or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than Israel.

5. Counterparts. This Amendment may be executed in any number of counterparts and be different parties to this Amendment in separate counterparts, including by way of electronic signature or the keeping of records in electronic form, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature or the use of a paper-based recordkeeping systems, as the case may be, and each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same Amendment.

[*Signature Page to Follow*]

In Witness Whereof, the Company has caused this Amended to that Warrant to Purchase Preferred Shares to be executed by its duly authorized officer as of the date first set forth above.

Gauzy Ltd.

By:	/s/ Eyal Peso	/s/ Alejandro Weinstein
Name:	Eyal Peso	Alejandro Weinstein
Title:	CEO	Director

Agreed and Acknowledged:

OIC Growth Gauzy Holdings, LLC

By: /s/ Jeremy Glick
Name: Jeremy Glick
Title: Investment Partner

EXHIBIT H
FIRST AMENDMENT TO THE CONVERTIBLE LOAN AGREEMENT

This Amendment (this "**Amendment**") to that certain Convertible Loan Agreement is entered into on March 7, 2024 by and between Gauzy Ltd., a company incorporated and existing under the laws of the State of Israel having its principal offices at the 14 Hatchiya St., Tel-Aviv, Israel 6816914 (the "**Company**"), and the lenders listed on **Exhibit A** hereto (the "**Lenders**").

WHEREAS, the Company and the Lenders entered into that certain convertible loan agreement, dated March 31, 2023 (the "**CLA**"), pursuant to which the Lenders provided the Company with a convertible loan in an amount of up to US$20,000,000;

WHEREAS, pursuant to Section 12.7 of the CLA, the Lenders who lent the majority of the Loan Amount (the "**Majority Lenders**"), together with the Company may agree on amendments to the CLA; and

WHEREAS, the Majority Lenders and the Company have agreed to amend the CLA, as set forth herein.

NOW, THEREFORE, the parties to this Amendment hereby agree as follows:

1. The term "**Loan Maximum**" under the CLA shall be amended to equal an amount of up to US$40,000,000.

2. The terms "**Applicable Price Per Share**", "**Significant Lender**" and "**Warrant Shares**" under the Warrant attached to the CLA as Exhibit C, shall be replaced in their entirety with the definitions below as following:

   "Applicable Price Per Share" *shall mean in the event of a conversion or repayment (as applicable) of the Lender Loan Amount: (i) in the event of an IPO, the IPO PPS, (ii) in the event of a Qualified Financing, the Qualified Financing PPS, (iii) in the event of a Deemed Liquidation, the Deemed Liquidation PPS, (iv) upon a Final Date pursuant to Section 6.5 of the CLA, the Final Date PPS, or (v) upon an optional repayment or conversion pursuant to Section 6.4 of the CLA or upon repayment in an Event of Default, the Optional PPS, as applicable , in each case read disregarding the 0.75 multiplier provided in such terms.*

   "Significant Lender" *shall mean a Holder (i) having a Lender Loan Amount equal to or greater than US$2,000,000, or (ii) who the Company's Board of Directors has resolved to be considered a Significant Lender for all intents and purposes under the Warrant including by way of a side letter with such Holder.*

   "Warrant Shares" *shall mean the number of shares of preferred equity of the Company comprising the same series and class (and/or subclass, if applicable) of Conversion Shares derived by dividing (i) the product obtained by multiplying the Lender Loan Amount of such Holder actually received by the Company by (A) if such Holder is a Significant Lender, sixty-five percent (65%) and (B) if such Holder is not an Significant Lender, twenty-five percent (25%) by (ii) the Exercise Price, and subject in each case to adjustments pursuant to terms hereunder.*

3. The Joinder to the CLA attached thereto as Exhibit B, shall be replaced with the attached and amended form of Joinder attached hereto as **Exhibit B**.

---

4. Unless otherwise expressly stated, capitalized terms used herein shall have the meanings assigned thereto in the CLA.

5. This Amendment forms an integral part of the CLA. All of the terms and conditions of the CLA shall remain in full force and effect, except as expressly amended by this Amendment.

6. In the event of any conflicting provisions between the terms and conditions of this Amendment and the provisions of the CLA, the terms and conditions of this Amendment shall prevail.

7. This Amendment is being entered into in accordance with the provisions of Section 12.7 of the CLA and shall become effective upon execution thereof by the parties hereto.

8. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original and enforceable against the parties hereto actually executing such counterpart, and all of which together shall constitute one and the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties have signed this Amendment as of the date first written above.

COMPANY:

GAUZY LTD.

By: _____
Name: Eyal Peso
Title: CEO

IN WITNESS WHEREOF the parties have signed this Amendment as of the date first written above.

LENDER'S NAME:

By: _____
Name:
Title:

EXHIBIT A

LENDERS

Ibex Israel Fund LLLP

Blue-Red Capital Fund L.P. & Affiliates

Avery Dennison Ltd.

ENR 2021 Trust

Sabona Investments Limited S.A.

SJR 2021 Trust

RC Opportunities Limited

3A Capital Establishment

Walleye Opportunities Master Fund Ltd.

Avirko Ltd.

Hamilton Global Opportunities plc

Chutzpah Holdings Limited

Cartridge Holdings Limited

Infinity Holding Ventures PTE. Limited

Kukac LLC

Xin Huang

Elljay Limited

Waarde Capital II Special Limited Partnership (SCSp)

Francesca Boschi

Andrew Gazitua

Elka USA LLC

AAM VC PTE LTD

Fralara Pty Ltd Fraid Family Investment Trust

Vasuki 2019 SCSp

EXHIBIT B

AMENDED JOINDER

The undersigned (the "**Lender**") hereby consents to and agrees to be bound by all the terms, covenants and provisions of that certain Convertible Loan Agreement dated March 31, 2023, by and among Gauzy Ltd. (the "**Company**") and the Lenders listed on Exhibit A thereto (the "**CLA**").

All terms not otherwise defined herein shall have the meanings ascribed to such terms in the CLA.

The Lender acknowledges and agrees that: (i) the Company's representations and warranties provided in Section 8 shall be true and correct as of the CLA's original Effective Date; (ii) upon execution and delivery of this Joinder to the CLA, it shall be deemed a Lender for all intents and purposes of the CLA; and (iii) it may be considered an Overallotment Lender for all intents and purposes under the CLA, provided that the Company's Board of Directors resolved that such Lender shall be considered an Overallotment Lender including by way of a side letter with such Lender.

The undersigned's total portion of the Lender's Loan Amount shall equal: $_____.

The execution of this Joinder shall constitute, for all intents and purposes, the undersigned's execution of the CLA, including without limitation for the purpose of the representations and warranties of the Lenders thereto, which shall be true as of the date hereof.

Date: _____

Signature: _____

By: _____

Name: _____

Title : _____

Address: _____

_____

The above is agreed to and confirmed by the Company:

Gauzy Ltd.

By: _____

Title: _____

[Joinder to Convertible Loan Agreement dated _____]

Exhibit 10.34

AMENDMENT NO. 1 TO NOTE PURCHASE AGREEMENT

This **AMENDMENT NO. 1 TO NOTE PURCHASE AGREEMENT** (this "Amendment"), dated as of May 28, 2024, is entered into by and among Gauzy Ltd., a limited liability company organized under the laws of the State of Israel (the "Company"), Vision Lite SAS, a French *société par actions simplifée* (the "French Issuer"), the other Guarantors identified on the signature pages hereof, and Chutzpah Holdings Ltd. as the Purchaser, the Administrative Agent and the Collateral Agent ("Chutzpah Holdings").

W I T N E S S E T H

WHEREAS, the Company, the French Issuer, the other Guarantors from time to time party thereto, Chutzpah Holdings as the Purchaser, the Administrative Agent and the Collateral Agent are parties to that certain Note Purchase Agreement, dated as of November 8, 2023 (the "Chutzpah Note Purchase Agreement");

WHEREAS, the parties wish to amend the Chutzpah Note Purchase Agreement as set out hereinafter;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Defined Terms. All initially capitalized terms used herein (including the preamble and recitals hereof) without definition shall have the meanings ascribed thereto in the Chutzpah Note Purchase Agreement. The rules of interpretation set forth in section 1.02 of the Chutzpah Note Purchase Agreement are incorporated herein. Each reference in the Chutzpah Note Purchase Agreement to "this Agreement", "hereunder", "hereof", "herein", or words of like import, and each reference to the Chutzpah Note Purchase Agreement in any other Note Document shall be deemed a reference to the Chutzpah Note Purchase Agreement as amended hereby.

2. Amendments to Chutzpah Note Purchase Agreement.

(a) The definition of "Conversion Price" in Section 1.01 shall be amended by replacing it in its entirety with the following:

"**"Conversion Price" means, as of the date of any conversion of the principal of a Note pursuant to Section 2.06(d), an amount equal to (a) the price per share for each share of the Company issued at a Qualified IPO, multiplied by (b) the Conversion Percentage**".

(b) The definition of "Qualified IPO" in Section 1.01 shall be amended by replacing it in its entirety with the following:

"**"Qualified IPO" means, with respect to Qualified IPO Registrant, (i) an initial underwritten public offering of capital stock pursuant to an effective registration statement under the United States Securities Act of 1933, as amended, or equivalent law of another jurisdiction on an internationally-recognized stock exchange (or such other stock exchange as may be approved by the Purchasers) yielding net proceeds to the Qualified IPO Registrant of at least US$50,000,000 and reflecting a pre-money valuation of the Qualified IPO Registrant as the board of directors (or equivalent corporate organ) of the Qualified IPO Registrant shall approve, or (ii) a transaction between the Qualified IPO Registrant and/or its shareholders on the one hand, and a special purpose acquisition company ("SPAC") on the other hand, following which the Capital Stock of the Qualified IPO Registrant is either publicly traded on such stock exchange or entitled to be exchanged for shares that are publicly traded on such stock exchange (or another kind of transaction structure with a SPAC having substantially the same result), in which the combined company's net cash position after the merger is increased by at least US$50,000,000 (including funds from the SPAC entity and/or a concurrent PIPE investment) and which reflects a pre-money valuation of the Qualified IPO Registrant that as the board of directors (or equivalent corporate organ) of the Qualified IPO Registrant shall approve**".

3. Effectiveness of Amendment. This Amendment shall become effective when it shall have been executed by all the parties, represented by counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto.

4. GOVERNING LAW. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AMENDMENT AND ANY DISPUTE OR CLAIMS ARISING IN CONNECTION THEREWITH SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

5. JURISDICTION; ETC. THIS AMENDMENT SHALL BE SUBJECT TO THE PROVISIONS REGARDING GOVERNING LAW; JURISDICTION; ETC.; SET FORTH IN SECTION 10.09 OF THE NOTE PURCHASE AGREEMENT, AND SUCH PROVISIONS ARE INCORPORATED HEREIN BY THIS REFERENCE, *MUTATIS MUTANDIS.*

6. Counterparts; Electronic Execution. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment and the Chutzpah Note Purchase Agreement constitute the entire contract between and among the parties and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Delivery of an executed counterpart of a signature page to this Amendment by telecopy or scanned electronic transmission shall be effective as delivery of a manually executed counterpart of this Amendment. The words "execution," "execute", "signed," "signature," and words of like import in or related to any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

7. Limited Effect. Except as expressly provided herein, the Chutzpah Note Purchase Agreement and the other Note Documents shall remain unmodified and in full force and effect. This Amendment shall not be deemed (a) to be a waiver of, consent to, or a modification or amendment of any other term or condition of the Chutzpah Note Purchase Agreement or any other Note Document, (b) to prejudice any right or rights which the Administrative Agent or any Purchaser may now have or may have in the future under or in connection with the Chutzpah Note Purchase Agreement or the other Note Documents or any of the instruments or agreements referred to therein, as the same may be amended, restated, supplemented or modified from time to time, or (c) to be a waiver of, or consent to, or a modification or amendment of, any other term or condition of any other agreement by and among the Note Parties, on the one hand, and the Administrative Agent or any Purchaser, on the other hand. Without limiting the generality of the foregoing, the execution and delivery of this Amendment shall not constitute a novation of any indebtedness or other obligations owing to the Purchasers or the Administrative Agent under the Chutzpah Note Purchase Agreement based on facts or events occurring or existing prior to the execution and delivery of this Amendment.

8. Severability. Any provision of this Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

9. Costs and Expenses. As an inducement to the Administrative Agent and the Purchasers entering into this Amendment and as otherwise required under the Note Documents, the Company hereby agrees to pay, following execution and delivery of this Amendment, all costs and expenses of the Administrative Agent and the Purchasers incurred in connection with this Amendment and the matters contemplated herein, including all reasonable attorney's fees.

10. Note Document. This Amendment shall constitute a Note Document for all purposes of the Chutzpah Note Purchase Agreement and the other Note Documents.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have entered into this Amendment as of the date first above written.

Gauzy Ltd., as the Company and Guarantor

By: _____
Name:
Title:

Vision Lite SAS, as French Issuer and Guarantor

By: _____
Name:
Title:

Gauzy USA, Inc., as Guarantor

By: _____
Name:
Title:

Gauzy GmbH, as Guarantor

By: _____
Name:
Title:

[Chutzpah NPA Amendment No. 1 – signature page]

CHUTZPAH HOLDINGS, LTD.,
as Administrative Agent and Collateral Agent
and as Purchaser

By: _____
Name:
Title:

[Chutzpah NPA Amendment No. 1 – signature page]

Exhibit 21.1

LIST OF SUBSIDIARIES

Company Name	**Jurisdiction of Incorporation**
Gauzy USA, Inc.	Delaware
Gauzy GmbH	Germany
Gauzy Ltd. Korea	Korea
Gauzy Trading (Shanghai) Co., Ltd.	China
Gauzy (Guangzhou) Co. Ltd.*	China
Vision Lite SAS	France
Gauzy SAS**	France
Vision Systems SAS***	France
Vision Systems North America, Inc.***	Florida
Gauzy Pte.***	Singapore
Vision Systems Middle East DWC LLC***	United Arab Emirates
Safety Tech SAS***	France
Vision Systems Canada****	Canada

* wholly-owned subsidiary of Gauzy Trading (Shanghai) Co., Ltd.

** wholly-owned subsidiary of Vision Lite SAS

*** wholly-owned subsidiary of Gauzy SAS

**** wholly-owned subsidiary of Safety Tech SAS

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form F-1 of Gauzy Ltd. of our report dated April 12, 2024, except for the effects of the stock split discussed in Note 2ii to the financial statements, as to which the date is May 28, 2024 relating to the financial statements of Gauzy Ltd., which appears in this Registration Statement. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ Kesselman & Kesselman
Certified Public Accountants (Isr.)
A member firm of PricewaterhouseCoopers International Limited

Tel-Aviv, Israel
May 29, 2024

Exhibit 107

Calculation of Filing Fee Tables

Form F-1

(Form Type)

PARAZERO TECHNOLOGIES LTD.

(Exact Name of Registrant as Specified in its Charter)

Table 1: Newly Registered and Carry Forward Securities

	Security Type	Security Class Title	Fee Calculation or Carry Forward Rule	Maximum Aggregate Offering Price[(1)(2)(3)]	Fee Rate	Amount of Registration Fee [(4)]
Fees to Be Paid	Equity	Ordinary shares, par value NIS 0.23 per share	457(o)	$ 86,250,000.00	0.0001476	$ 12,730.50
Carry Forward Securities						
		Total Offering Amounts		$ 86,250,000.00		$ 12,730.50
		Total Fees Previously Paid				$ 11,070.00
		Total Fee Offsets				-
		Net Fee Due		-		$ 1,660.50

(1) This registration statement also includes an indeterminate number of ordinary shares that may become offered, issuable or sold to prevent dilution resulting from stock splits, stock dividends and similar transactions, which are included pursuant to Rule 416 under the Securities Act of 1933, as amended, or the Securities Act.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act.

(3) Includes the offering price of additional shares that the underwriters have the option to purchase to cover over-allotments, if any.

(4) Calculated pursuant to Rule 457(o) under the Securities Act based on an estimate of the proposed maximum aggregate offering price.