As filed with the Securities and Exchange Commission on March 24, 2022.

Registration No. 333-262854

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Amendment No. 2
To
Form F-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

RAIL VISION LTD.
(Exact name of registrant as specified in its charter)

State of Israel	**7372**	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

Shahar Hania
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Tel: +972- 9-957-7706
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

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(Name, address, including zip code, and telephone number, including area code, of agent for service)

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

PRELIMINARY PROSPECTUS **SUBJECT TO COMPLETION** **DATED MARCH 24, 2022**

Up to 3,550,000 Units Each Consisting of One Ordinary Share and One Warrant to Purchase One Ordinary Share

Up to 3,550,000 Pre-Funded Units Each Consisting of One Pre-Funded Warrant to Purchase One Ordinary Share and One Warrant to Purchase One Ordinary Share

Rail Vision Ltd.

This is an initial public offering of up to 3,550,000 units, each consisting of one of our ordinary shares, par value NIS 0.01, and one warrant to purchase one of our ordinary shares. The units have no stand-alone rights and will not be certificated or issued as stand-alone securities. The ordinary shares and warrants are immediately separable and will be issued separately in this offering. The warrants offered hereby will be immediately exercisable on the date of issuance and will expire five years from the date of issuance.

Prior to this offering, there has been no public market for our ordinary shares or warrants. It is currently estimated that the initial public offering price per unit will be between $4.13 and $5.87.

We are also offering to those purchasers, if any, whose purchase of units in this offering would otherwise result in the purchaser, together with its affiliates and certain related parties, beneficially owning more than 4.99% of our outstanding ordinary shares immediately following the consummation of this offering, the opportunity to purchase, if they so choose, up to 3,550,000 pre-funded units, or, each, a pre-funded unit, in lieu of the units that would otherwise result in ownership in excess of 4.99% (or, at the election of the purchaser, 9.99%) of our outstanding ordinary shares, with each pre-funded unit consisting of a pre-funded warrant to purchase one ordinary share, or a pre-funded warrant, and one warrant. The purchase price of each pre-funded unit will equal the price per unit, minus $0.001, and the exercise price of each pre-funded warrant included in the pre-funded unit will be $0.001 per ordinary share. The pre-funded units have no stand-alone rights and will not be certificated or issued as stand-alone securities. The pre-funded warrants and warrants are immediately separable and will be issued separately in this offering. There can be no assurance that we will sell any of the pre-funded units being offered. The pre-funded warrants offered hereby will be immediately exercisable and may be exercised on the date of issuance at any time until exercised in full.

For each pre-funded unit we sell, the number of units we are offering will be decreased on a one-for-one basis. Because we will issue a warrant as part of each unit or pre-funded unit, the number of warrants sold in this offering will not change as a result of a change in the mix of the units and pre-funded units sold.

We refer to the ordinary shares, the warrants, the pre-funded warrants and the ordinary shares issued or issuable upon exercise of the warrants and pre-funded warrants, collectively, as the securities. See “Description of the Securities We are Offering” for more information.

We have applied to list the ordinary shares and warrants on The Nasdaq Capital Market under the symbols “RVSN" and “RVSNW”, respectively. No assurance can be given that our application will be approved or that a trading market will develop. We do not intend to apply to list the pre-funded warrants on any securities exchange or other nationally recognized trading system.

We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and are subject to reduced public company reporting requirements.

Investing in our ordinary shares involves a high degree of risk. See "Risk Factors" beginning on page 10.

	Per Unit	Per Pre-Funded Unit	Total
Public offering price	$	$	$
Underwriting discounts and commissions(1)	$	$	$
Proceeds to us (before expenses)(2)	$	$	$

(1) Certain of our existing shareholders, including entities affiliated with certain of our directors and beneficial owners of greater than 5% of our share capital, have indicated an interest in purchasing up to an aggregate of $2.5 million of units in this offering at the initial public offering price per unit. However, because indications of interest are not binding agreements or commitments to purchase, the underwriter may determine to sell more, less or no units in this offering to any of these shareholders, or any of these shareholders may determine to purchase more, less or no units in this offering. The underwriter will receive the same underwriting discount on any units purchased by these shareholders as they will on any other units sold to the public in this offering. In addition, we have agreed to reimburse the underwriter for certain expenses and to issue to the underwriters warrants to purchase a number of ordinary shares equal to 5% of the units sold in this offering. See "Underwriting" on page 98 for a complete description of compensation payable to the underwriter.

(2) Does not include proceeds from the exercise of the warrants in cash, if any.

We have granted the underwriter an option to purchase up to an additional 532,500 ordinary shares and/or pre-funded warrants (15% ordinary shares and/or pre-funded warrants) and/or up to an additional 532,500 warrants (15% warrants from us at the public offering price), within 45 days from the date of this prospectus to cover over-allotments, if any. The purchase price to be paid per additional ordinary share or pre-funded warrant will be equal to the public offering price of one unit or pre-funded unit (less $0.001 allocated to the warrants), as applicable, less the underwriting discounts and commissions, and the purchase price to be paid per additional warrant will be $0.01. The underwriter may exercise the over-allotment option with respect to ordinary shares only, pre-funded warrants only, warrants only, or any combination thereof. If the underwriter exercises the option in full, the total underwriting discounts and commissions payable will be $, and the total proceeds to us, before expenses, will be $ ..

The underwriter expects to deliver the units and/or pre-funded units on or about , 2022.

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

Sole Book-Running Manager

Aegis Capital Corp.

The date of this prospectus is , 2022

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You should rely only on the information contained in this prospectus or in any related free-writing prospectus. We and the underwriter have not authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectus prepared by us or on our behalf or to which we have referred you. We take no 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. We are not 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. 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. Until and including, 2022 (the 25th day after the date of this prospectus), all dealers effecting transactions in our ordinary shares, 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.

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

In this prospectus, "we," "us," "our," the "Company" and "Rail Vision" refer to Rail Vision Ltd., an Israeli corporation.

Our reporting currency and functional currency is the U.S. dollar. Unless otherwise expressly stated or the context otherwise requires, references in this prospectus to "dollars" or "$" mean U.S. dollars, and references to "NIS" are to New Israeli Shekels. All references to "shares" in this prospectus refer to ordinary shares of Rail Vision Ltd. par value NIS 0.01 per share.

We are incorporated under Israeli law and under the rules of the U.S. Securities and Exchange Commission, or the SEC, we are currently eligible for treatment as a "foreign private issuer." As a foreign private issuer, we will not be required to file periodic reports and financial statements with the SEC as frequently or as promptly as domestic registrants whose securities are registered under the Securities Exchange Act of 1934, as amended, or the Exchange Act.

INDUSTRY AND MARKET DATA

This prospectus includes statistical, market and industry data and forecasts which we obtained from publicly available information and independent industry publications and reports that we believe to be reliable sources. These publicly available industry publications and reports generally state that they obtain their information from sources that they believe to be reliable, but they do not guarantee the accuracy or completeness of the information. Although we are responsible for all of the disclosures contained in this prospectus, including such statistical, market and industry data, we have not independently verified any of the data from third-party sources, nor have we ascertained the underlying economic assumptions relied upon therein. In addition, while we believe the market opportunity information included in this prospectus is generally reliable and is based on reasonable assumptions, such data involves risks and uncertainties, including those discussed under the heading "Risk Factors."

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.

TRADEMARKS AND TRADENAMES

We own or have rights to trademarks, service marks and trade names that we use in connection with the operation of our business, including our corporate name, logos and website names. Other trademarks, service marks and trade names appearing in this prospectus are the property of their respective owners. Solely for convenience, some of the trademarks, service marks and trade names referred to in this prospectus are listed without the ® and ™ symbols, but we will assert, to the fullest extent under applicable law, our rights to our trademarks, service marks and trade names.

PROSPECTUS SUMMARY

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

Our Company

We are a development stage technology company that is seeking to revolutionize railway safety and the data-related market. We believe we have developed cutting edge, Artificial Intelligence, or AI, based, industry-leading technology specifically designed for railways, with investments from Knorr-Bremse, a world-class manufacturer of braking systems and a leading supplier of safety-critical sub-systems for rail and commercial vehicles. We have developed our railway detection and systems to save lives, increase efficiency, and dramatically reduce expenses for the railway operators. We believe that our technology will significantly increase railway safety around the world, while creating significant benefits and adding value to everyone who relies on the train ecosystem: from passengers using trains for transportation to companies that use railways to deliver goods and services. In addition, we believe that our technology has the potential to advance the revolutionary concept of autonomous trains into a practical reality.

The increasing electrification and automation of railways and trains are two key factors that are driving growth in the transportation market. Autonomous trains are integrated with advanced systems to provide improved control over the train for stopping, departing and movement between train stations – for example the operators are aiming to increase the density on a given track that's to say more trains per kilometer. From everyday passengers to train operators, there is a rising demand for safe, secure, and efficient transport systems. Additionally, various technological advancements, such as the integration of the Internet of Things, or IoT, and AI solutions into railway detection systems, are market categories expected to grow in the coming years. These technologies aid in improving the overall operational efficiency and maintaining freight operations and systems. According to Report Linker, the autonomous train technologies market was valued at USD $7.5 billion in 2020, and is expected to reach USD $10.2 billion by 2026, representing a CAGR of 5.61% for that period.

Since our founding in April 2016, we have developed unique auxiliary systems for railway safety, based on image processing technology that provide early warnings to train drivers of hazards on and around the railway track, including during severe weather and in all lighting conditions. Our unique system uses special high resolution cameras to identify objects up to 2,000 meters away, along with a computer unit that uses AI machine learning algorithms to analyze the images, identify objects on or near the tracks, and warn the train driver of the obstacle and potential danger. In September 2016, we were recognized as the winner of Deutsche Bahn's MINDBOX competition for our automated early warning systems to prevent railway accidents. Deutsche Bahn's MINDBOX competition offers participants an opportunity to test their innovative railway technology solutions directly with Deutsche Bahn, Germany's national railway company. As part of the competition, we demonstrated the effectiveness of our rail safety technology by working closely with Deutsche Bahn to conduct open field tests that included integrating our cameras and sensors onto Deutsche Bahn locomotives.

Our railway detection system includes different types of cameras, including optics, visible light spectrum cameras (video) and thermal cameras that transmit data to a ruggedized on-board computer which is designed to be suitable for the rough environment of a train's locomotive. Our railway detection and classification system includes an image-processing and machine-learning algorithm that processes the data for identifying potential hazards on and around the track. These algorithms are designed to identify and classify objects such as people, animals, vehicles, bridges, junctions, signs, signals along the track, and anomalies. Our railway detection system actively classifies objects by severity to determine if an alarm should be signaled to the train driver. These data collection and classification capabilities can be extended to further use-cases such as predictive maintenance and big-data analyses.

We believe that our technology is unique and demonstrates capabilities and results that are better than existing solutions. Most of the currently available safety solutions for the railway industry focus on stationary systems in dedicated hazardous locations, such as at level track crossings and passenger train stations, among others. At these dedicated locations, different technologies are used for detecting obstacles that are on the vicinity of level crossing tracks, and usually include different cameras and radars. The problem with this type of solution is that the train is only monitored at specific points in the railroad junction, leaving the vast majority of the railway unprotected. We can see that the world started to understand the limitations of this solution and therefore we attempt to integrate a collision avoidance system on trains. We believe that our long-range real-time AI and electro-optics technologies solve this problem, as well as providing solutions to most of the challenges train operators face during transit such as collisions, derailments and other accidents caused by obstacles on tracks or poor infrastructure.

For the six months ended June 30, 2021, we generated revenues of $417,000 and incurred a net loss of $5,128,000. For the year ended December 31, 2020, we did not report any revenue and incurred a net loss of $10,707,000. See "Summary Financial Data" in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and related notes included elsewhere in this prospectus for more information regarding our financial history.

Corporate Information

We are a corporation based in Ra'anana and were incorporated in Israel. Our principal executive offices are located at 15 Hatidhar St. Ra'anana, 4366517 Israel. Our telephone number in Israel is +972-9-957-7706. Our website address is http://www.railvision.io/. The information contained on, or that can be accessed through, our website is not part of this prospectus. We have included our website address in this prospectus solely as an inactive textual reference.

Summary of Risks Associated with our Business

Our business is subject to a number of risks of which you should be aware before making a decision to invest in our ordinary shares. You should carefully consider all the information set forth in this prospectus and, in particular, should evaluate the specific factors set forth in the sections titled "Risk Factors" before deciding whether to invest in our ordinary shares. Among these important risks are, but not limited to, the following:

Risks Related to Our Financial Condition and Capital Requirements

- We are a development-stage company and have a limited operating history on which to assess the prospects for our business, have incurred significant losses since the date of our inception, and anticipate that we will continue to incur significant losses until we are able to successfully commercialize our products.

- We have not generated significant revenue from the sale of our current products and may never be profitable.

- The report of our independent registered public accounting firm contains an explanatory paragraph regarding substantial doubt about our ability to continue as a going concern.

- We expect that we will need to invest significant time and raise substantial additional capital before we can expect to become profitable from sales of our 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. Raising additional capital would cause dilution to our existing shareholders, and may affect the rights of existing shareholders.

- We have identified a material weakness in our entity level control components relating to documenting our financial reporting process, and our management will be required to devote substantial time to maintaining and improving our internal controls over financial reporting, and the requirements of being a public company which may, among other things, strain our resources, divert management's attention and affect our ability to accurately report our financial results and prevent fraud.

Risks Related to Our Business and Industry

- We depend entirely on the success of our current products in development, we may not be able to successfully introduce these products and commercialize them, and we may not be able to successfully manage our planned growth, and our operating results and financial condition may fluctuate. Defects in products could give rise to product returns or product liability, warranty or other claims that could result in material expenses, diversion of management time and attention, and damage to our reputation.

- Our business may be adversely affected by changes in railway safety regulations.

- Our business is subject to risks arising from the COVID-19 pandemic which continues to impact our business.

- Under applicable employment laws, we may not be able to enforce covenants not to compete and therefore may be unable to prevent our competitors from benefiting from the expertise of some of our former employees.

- The markets in which we participate are competitive. Even if we are successful in completing the development of our products in development, our failure to compete successfully could cause any future revenues and the demand for our products not to materialize or to decline over time.

- If our relationships with suppliers for our products and services, especially with single source suppliers of components of our products, were to terminate or our manufacturing arrangements were to be disrupted, our business could be interrupted. Discontinuation of operations at our and third-parties' manufacturing sites could prevent us from timely filling customer orders and could lead to unforeseen costs for us.

- Our planned 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.

- Significant disruptions of our information technology systems or breaches of our data security could adversely affect our business. Additionally, we are subject to data ownership and privacy regulations which may expose us to lawsuits and sanctions for violations.

- We are exposed to fluctuations in currency exchange rates, which could negatively affect our financial condition and results of operations.

Risks Related to Our Intellectual Property

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

- 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 to develop or market our product candidates. Such litigation or licenses could be costly or not available on commercially reasonable terms.

- We may be involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time consuming, and unsuccessful and we may be subject to claims challenging the inventorship of our intellectual property, and we may not be able to protect our intellectual property rights throughout the world.

Risks Related to this Offering and the Ownership of Our ordinary shares

- Our principal shareholders, officers and directors beneficially own approximately 71% of our outstanding ordinary shares. Following this offering, our principal shareholders, officers and directors will beneficially own approximately 55% of our ordinary shares, without giving effect to any participation in this offering by any such beneficial owner. They will therefore be able to exert significant control over matters submitted to our shareholders for approval, which could limit your ability to influence the outcome of key transactions, including a change of control, and which may result in conflicts with us or you in the future.

- Certain of our directors have relationships with our principal shareholders, which may cause conflicts of interest with respect to our business.

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

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

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

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

- We may be a "passive foreign investment company", or PFIC, for U.S. federal income tax purposes in the current taxable year or may be 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.

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

Risks Related to Israeli Law and Our Incorporation, Location and Operations in Israel

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

- Your rights and responsibilities as a holder of our securities will be governed by Israeli law, which differs in some material respects from the rights and responsibilities of shareholders of U.S. companies.

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

- Our headquarters, research and development and other significant operations are located in Israel, and, therefore, our results may be adversely affected by political, economic and military instability in Israel.

- Our operations may be disrupted as a result of the obligation of management or key personnel to perform military service.

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

Emerging Growth Company

As a company with less than $1.07 billion in revenue during our last fiscal year, we qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, or 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 $1.07 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.

THE OFFERING

Ordinary shares currently outstanding	12,066,668 ordinary shares
Units offered by us	Up to 3,550,000 units, each consisting of one ordinary share and one warrant to purchase one ordinary share. The units have no stand-alone rights and will not be certificated or issued as stand-alone securities. The ordinary shares and warrants are immediately separable and will be issued separately in this offering.
Pre-funded units offered by us	We are also offering to those purchasers, if any, whose purchase of units in this offering would otherwise result in the purchaser, together with its affiliates and certain related parties, beneficially owning more than 4.99% of our outstanding ordinary shares immediately following the consummation of this offering, pre-funded units, each consisting of one pre-funded warrant to purchase one ordinary share and one warrant to purchase one ordinary share. The pre-funded units have no stand-alone rights and will not be certificated or issued as stand-alone securities. The pre-funded warrants and warrants are immediately separable and will be issued separately in this offering. For each pre-funded unit we sell, the number of units we are offering will be decreased on a one-for-one basis. Because we will issue a warrant as part of each unit or pre-funded unit, the number of warrants sold in this offering will not change as a result of a change in the mix of the units and pre-funded units sold.
Warrants	Each warrant will have an exercise price of $5.00 (100% of the public offering price per unit, based on an assumed public offering price of $5.00 per unit, the midpoint of the range set forth on the cover page of the prospectus), per ordinary share, will be immediately exercisable and will expire five years from the date of issuance. To better understand the terms of the warrants, you should carefully read the “Description of the Securities We are Offering” section of this prospectus. You should also read the form of warrant, which is filed as an exhibit to the registration statement that includes this prospectus.
Pre-funded warrants	Each pre-funded warrant will be immediately exercisable at an exercise price of $0.001 per ordinary share and may be exercised at any time until exercised in full. To better understand the terms of the pre-funded warrants, you should carefully read the “Description of the Securities We are Offering” section of this prospectus. You should also read the form of pre-funded warrant, which is filed as an exhibit to the registration statement of which this prospectus forms a part.
Ordinary shares to be outstanding after this offering	15,616,668 ordinary shares (assuming no sale of pre-funded units, no exercise of the over-allotment option, and that none of the warrants or underwriter’s warrants issued in this offering are exercised). If the underwriter exercises its over-allotment option to purchase 532,500 additional ordinary shares in full, the ordinary shares outstanding immediately after this offering will be 16,149,168 ordinary shares.
Over-allotment option	We have granted the underwriter the right to purchase up to an additional 532,500 ordinary shares and/or pre-funded warrants (15% of the ordinary shares and/or pre-funded warrants sold in the offering) and/or up to 532,500 additional warrants (15% of the warrants sold in the offering) within 45 days from the date of this prospectus to cover over-allotments. The purchase price to be paid per additional ordinary share or pre-funded warrant will be equal to the public offering price of one unit or pre-funded unit (less $0.001 allocated to the pre-funded warrants), as applicable, less the underwriting discount, and the purchase price to be paid per additional warrant will be $0.01.
Underwriter’s Warrants	We will issue to the underwriter warrants to purchase up to 177,500 ordinary shares (equal to 5% of the units sold in the offering). The underwriter’s warrants will have an exercise price of 135% of the per unit public offering price, will be exercisable during the four year and sixth month period commencing six months from the commencement of sales in this offering. For additional information regarding our arrangement with the underwriter, please see “Underwriting.”

Use of proceeds	We expect to receive approximately $15.6 million in net proceeds from the sale of units offered by us in this offering (approximately $18.1 million if the underwriter exercises its over-allotment option in full), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, based upon an assumed public offering price of $5.00 per unit, the midpoint of the price range set forth on the cover page of this prospectus. We currently expect to use the net proceeds from this offering for: ● approximately $8 million for research and development, including completion of our existing systems and continued development of new products; ● approximately $4.5 million for marketing, advertising and pre-commercialization activities; and ● approximately $0.3 million (or approximately 1.5% of the gross offering proceeds) to be paid to Israel Railways Ltd., or Israel Railways, in consideration of services rendered under our cooperation agreement with Israel Railways as more fully described elsewhere in this prospectus; and ● the remainder for working capital and general corporate purposes, and possible in-licensing of additional intellectual property. Our management will have broad discretion in the application of the net proceeds of this offering. See “Use of Proceeds” for more information about the intended use of proceeds from this offering.
Lock-up agreements	Our directors, officers and more than 10% shareholders have agreed not to offer for sale, issue, sell, contract to sell, pledge or otherwise dispose of any of our ordinary shares or securities convertible into ordinary shares for a period of 180 days after the date of this prospectus (see “Underwriting — Lock-Up Agreements”).
Securities issuance standstill	We have agreed, for a period of 18 months after the closing date of this offering, that, with certain exceptions, we will not, without the prior written consent of Aegis, offer, sell, issue, or otherwise transfer or dispose of, directly or indirectly, any equity or any securities convertible into or exercisable or exchangeable for our equity; file any registration statement relating to the offering of any equity or any securities convertible into equity. (see “Underwriting — Company Standstill”)
Risk factors	You should read the “Risk Factors” section starting on page 10 of this prospectus for a discussion of factors to consider carefully before deciding to invest in our ordinary shares.
Proposed Nasdaq Capital Market Symbols:	We have applied to list the ordinary shares and our warrants on the Nasdaq Capital Market under the symbol “RVSN” and “RVSNW”, respectively. No assurance can be given that our application will be approved or that a trading market will develop.

The number of our ordinary shares to be outstanding immediately after this offering as shown above assumes that all of the ordinary shares offered hereby are sold and is based on 12,066,668 ordinary shares outstanding as of March 23, 2022 after giving effect to (i) the automatic conversion of 61,538 Preferred A shares into 2,707,672 ordinary shares (after giving effect to the issuance of 10,256 Preferred A shares and bonus shares described below) immediately prior to the completion of this offering, and (ii) the issuance of 200,000 ordinary shares upon the automatic conversion of a Simple Agreement for Future Equity, or SAFE investment in the amount of $1,000,000, immediately prior to the completion of this offering at an assumed conversion price equal to $5.00, the midpoint of the price range set forth on the cover page of this prospectus, and excludes:

- 195,448 ordinary shares issuable to Israel Railways upon the exercise of warrants currently outstanding, with a nominal exercise price, which expire on June 30, 2022;

- 2,332,352 ordinary shares reserved for issuance under our Amended Share Option Plan, or the Option Plan, of which options to purchase 1,248,676 ordinary shares were outstanding as of such date at a weighted average exercise price of $6.1393, 669,126 of which were vested as of such date; and

- 200,000 ordinary shares issuable upon the exercise of warrants issuable upon the automatic conversion of a SAFE investment in the amount of $1,000,000, at an exercise price of $5.00 (based on an assumed public offering price of $5.00 per unit).

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

- an assumed initial public offering price of $5.00 per ordinary share, which is the midpoint of the price range set forth on the cover page of this prospectus;

- no sale of pre-funded units in this offering;

- no exercise of the underwriter's option;

- no exercise of the warrants or underwriter's warrants issued in the offering;

- the issuance of 8,949,203 bonus shares under Israeli law to our ordinary shareholders on a basis of 43 bonus shares for each ordinary share outstanding (equivalent to a 44 -for-1 forward share split) effected on February 13, 2022, and the customary adjustments to our outstanding options and warrants;

- the conversion of 61,538 Preferred A shares into 2,707,672 ordinary shares (after giving effect to the issuance of bonus shares described above), which will be automatically converted immediately prior to the completion of this offering; and

- 200,000 ordinary shares and 200,000 warrants to purchase ordinary shares issuable upon the automatic conversion of a SAFE investment, immediately prior to the completion of this offering at an assumed conversion price equal to $5.00, the midpoint of the price range set forth on the cover page of this prospectus.

Certain of our existing shareholders, including entities affiliated with certain of our directors and beneficial owners of greater than 5% of our share capital, have indicated an interest in purchasing up to an aggregate of $2.5 million of units in this offering at the initial public offering price per unit. However, because indications of interest are not binding agreements or commitments to purchase, the underwriter may determine to sell more, less or no units in this offering to any of these shareholders, or any of these shareholders may determine to purchase more, less or no units in this offering. The underwriter will receive the same underwriting discount on any units purchased by these shareholders as they will on any other units sold to the public in this offering.

SUMMARY FINANCIAL DATA

The following table summarizes our financial data. We have derived the following statements of comprehensive loss for the years ended December 31, 2019 and 2020 from our audited financial statements, included elsewhere in this prospectus. We have derived the following statements of comprehensive loss data for the six months ended June 30, 2021 and 2020 and the balance sheet data as of June 30, 2021 from our unaudited interim condensed financial statements included elsewhere in this prospectus. In our opinion, the unaudited interim condensed financial statements have been prepared on a basis consistent with our audited financial statements and contain all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of such unaudited interim condensed financial statements. Our historical results are not necessarily indicative of the results that may be expected in the future. The following summary financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and related notes included elsewhere in this prospectus.

	Year Ended December 31,		Six Months Ended June 30,	
(in thousands of USD, except share and per share data)	**2019**	**2020**	**2020**	**2021**
Statements of Comprehensive Loss Data:				
Revenues	-	-	-	417
Gross profit	-	-	-	304
Research and development expenses	7,156	7,205	3,600	3,838
General and administrative expenses	2,890	3,500	1,505	1,727
Operating loss	10,046	10,705	5,105	5,261
Finance expenses (income), net	(14)	2	(40)	(133)
Net loss	10,032	10,707	5,065	5,128
Basic and diluted loss per share	(1.25)	(1.17)	(0.55)	(0.56)
Weighted average number of shares outstanding used in computing basic and diluted loss per share	8,038,140	9,136,600	9,136,600	9,138,756

	As of June 30, 2021		
(in thousands of USD)	**Actual**	**Pro Forma (1)**	**Pro Forma As Adjusted (2)**
Balance Sheet Data:			
Cash and cash equivalents	$ 6,887	$ 9,897	$ 25,527
Total assets	$ 9,748	$ 12,758	$ 28,388
Preferred A Shares	$ 9,965	-	-
Share capital	25	33	$ 44
Additional paid in capital (3)	35,974	48,941	$ 64,560
Accumulated deficit	$ (39,247)	$ (39,247)	$ (39,247)
Total shareholders' equity (deficit)	$ (3,248)	$ 9,727	$ 25,357

(1) Pro forma data gives effect to (i) the issuance of 8,949,203 bonus shares (equivalent to a forward share split at a ratio of 44-for-1) effected on February 13, 2022, (ii) the issuance of 10,256 Preferred A shares upon an investment of additional $2,000,000 by Knorr-Bremse on March 6, 2022, (iii) the conversion of 61,538 Preferred A shares into 2,707,672 ordinary shares (after giving effect to the issuance of bonus shares described above), which will be automatically converted immediately prior to the completion of this offering, (iv) the issuance of 1,672 ordinary shares upon the exercise of ex-employee options on March 20, 2022, and (v) the issuance of 200,000 ordinary shares upon the automatic conversion of a SAFE investment in the aggregate amount of $1,000,000, immediately prior to the completion of this offering at an assumed conversion price equal to $5.00, the midpoint of the price range set forth on the cover page of this prospectus in all cases, as if such issuances and conversion had occurred on June 30, 2021.

(2) Pro forma as adjusted data gives further effect to the sale of 3,550,000 units in this offering at an assumed initial public offering price of $5.00 per unit, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, as if the sale had occurred on June 30, 2021.

(3) The pro forma as adjusted additional paid-in capital includes warrants to be issued in connection with this offering are being accounted for as equity instruments in accordance with the guidance contained in ASC 815-40.

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 $5.00 per unit, 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, total assets and shareholders' equity (deficit) by $3.3 million, assuming that the number of units 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 100,000 shares in the number of units offered by us at the assumed initial public offering price would increase (decrease) each of cash and, cash equivalents, total assets and shareholders' equity (deficit) by $ 0.46 million, assuming no change in the assumed initial public offering price and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

RISK FACTORS

An investment in our securities involves a high degree of risk. We operate in a dynamic and rapidly changing industry that involves numerous risks and uncertainties. You should consider carefully the risks and uncertainties described below, together with all of the other information in this prospectus, including the financial statements and the related notes included elsewhere in this prospectus, before deciding whether to invest in our ordinary shares or warrants. The risks described below are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business operations. If any of these risks actually occur, our business, financial condition, operating results or cash flows could be materially adversely affected. This could cause the trading price of our ordinary shares or warrants to decline, and you may lose all or part of your investment.

Risks Related to Our Financial Condition and Capital Requirements

We are a development-stage company and have a limited operating history on which to assess the prospects for our business, have incurred significant losses since the date of our inception, and anticipate that we will continue to incur significant losses until we are able to successfully commercialize our products.

We are a development-stage company with a limited operating history. We have incurred net losses since our inception in 2016, including net losses of approximately $10.7 million for the year ended December 31, 2020. As of December 31, 2020, we had an accumulated deficit of approximately $34.1 million. As of June 30, 2021, we had an accumulated deficit of approximately $39.2 million.

We have devoted substantially all of our financial resources to develop our solutions. We have financed our operations primarily through the issuance of equity securities. The amount of our future net losses will depend, in part, on completing the development of our products, the rate of our future expenditures and our ability to obtain funding through the issuance of our securities, strategic collaborations or grants. We expect to continue to incur significant losses until we are able to successfully commercialize our products. We anticipate that our expenses will increase substantially if and as we:

- continue the development and testing of our products;
- establish a sales, marketing, and distribution infrastructure to commercialize our products;
- seek to identify, assess, acquire, license, and/or develop other products and subsequent generations of our current products;
- 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 and planned future commercialization efforts.

We have not generated significant revenue from the sale of our current products and may never be profitable.

We have not yet commercialized any of our products and have not generated significant revenues since the date of our inception. Our first revenues were recorded in our unaudited interim condensed financial statements for the period ended June 30, 2021. Our ability to generate revenue and achieve profitability depends on our ability to successfully complete the development of, and to commercialize, our products. Our ability to generate future revenue from product sales depends heavily on our success in many areas, including but not limited to:

- completing development and testing of our products;
- establishing and maintaining supply and manufacturing relationships with third parties that can provide adequate (in amount and quality) products to support market demand for our products;

- launching and commercializing products, either directly or with a collaborator or distributor;
- addressing any competing technological and market developments;
- identifying, assessing, acquiring and/or developing new products;
- negotiating favorable terms in any collaboration, licensing or other arrangements into which we may enter;
- maintaining, protecting and expanding our portfolio of intellectual property rights, including patents, trade secrets and know-how; and
- attracting, hiring and retaining qualified personnel.

The report of our independent registered public accounting firm contains an explanatory paragraph regarding substantial doubt about our ability to continue as a going concern.

The report of our independent registered public accounting firm on our audited financial statements as of and for the year ended December 31, 2020 contains an explanatory paragraph regarding substantial doubt about our ability to continue as a going concern. For the period ended December 31, 2020, we did not generate revenues from our activities and have incurred substantial operating losses. Our first revenues were recorded in our unaudited interim condensed financial statements for the period ended June 30, 2021. Our management expects that we will continue to generate substantial operating losses and to continue to fund our operations primarily through the utilization of our current financial resources and through additional raises of capital. Such conditions raise substantial doubts about our ability to continue as a going concern. Our management's plan includes raising funds from outside potential investors. However, there is no assurance such funding will be available to us or that it will be obtained on terms favorable to us or will provide us with sufficient funds to meet our objectives. Our financial statements do not include any adjustments that might result from the outcome of the uncertainty regarding our ability to continue as a going concern. This going concern opinion could materially limit our ability to raise additional funds through the issuance of equity or debt securities or otherwise. Further reports on our financial statements may include an explanatory paragraph with respect to our ability to continue as a going concern. If we cannot continue as a going concern, our investors may lose their entire investment in our ordinary shares.

We expect that we will need to invest significant time and raise substantial additional capital before we can expect to become profitable from sales of our 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.

We expect that we will need to invest significant time and require substantial additional capital to commercialize our products. In addition, our operating plans may change as a result of many factors that may currently be unknown to us, and we may need to seek additional funds sooner than planned. Our future capital requirements will depend on many factors, including but not limited to:

- the scope, rate of progress, results and cost of product development, testing and other related activities;
- the cost of establishing commercial supplies of our products;
- the cost and timing of establishing sales, marketing, and distribution capabilities; and
- the terms and timing of any collaborative, licensing, and other arrangements that we may establish.

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, when needed, 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 indebtedness could result in increased fixed payment obligations, and we may be required to agree to certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. We could also be required to seek funds through arrangements with collaborative partners or otherwise at an earlier stage than otherwise would be desirable, and we may be required to relinquish rights to some of our technologies or 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 affect our business, financial condition and results of operations. See "Business—Development Status" for more information about our expectations regarding the amount of time and money it will take us to continue the development of our product before we will be ready to commence commercialization.

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.

Risks Related to Our Business and Industry

We depend entirely on the success of our current products in development, and we may not be able to successfully introduce these products and commercialize them.

We have invested almost all of our efforts and financial resources in the research, development and testing of our products in development. As a result, our business is entirely dependent on our ability to complete the development of, and to successfully commercialize, our product candidates. The process of development and commercialization is long, complex, costly and uncertain of outcome. While we have several ongoing tests with train operators through which we hope to demonstrate our technology, we cannot assure you that any of these programs will result in subsequent sales of our products.

Defects in products could give rise to product returns or product liability, warranty or other claims that could result in material expenses, diversion of management time and attention, and damage to our reputation.

Even if we are successful in introducing our products to the market, our products may contain undetected defects or errors that, despite testing, are not discovered until after a product has been used. Specifically, our safety device is complex and could have, or could be alleged to have, defects in design or manufacturing or other errors or failures. This could result in delayed market acceptance of those products, claims from distributors, end-users or others, increased end-user service and support costs and warranty claims, damage to our reputation and business, or significant costs to correct the defect or error. Furthermore, we face a risk of exposure to claims in the event that our products are used in connection with autonomous train operations, and do not perform as expected or experience a malfunction that results in personal injury or death.

Any claim brought against us, regardless of its merit, could result in material expense, diversion of management time and attention, and damage to our reputation, and could cause us to fail to retain or attract customers.

We currently maintain a limited coverage of product liability insurance, which could materially affect our financial condition in the event we have a product liability claim.

Currently, we maintain a limited coverage of product liability insurance in the amount of $3 million, which will be necessary prior to the commercialization of our products. It is likely that our current and/or any future product liability insurance that we will have in the future will be subject to significant deductibles and there is no guarantee that such insurance will be available or adequate to protect against all such claims, or we may elect to self-insure with respect to certain matters. Costs or payments made in connection with warranty and product liability claims and product recalls or other claims could materially affect our financial condition and results of operations.

Our business may be adversely affected by changes in railway safety regulations.

As the autonomous train industry continues to develop, regulators, including the U.S. Department of Transportation's Federal Railroad Administration, or FRA, and the European Union Agency for Railways, or ERA, may adapt existing regulations and create new ones in order to ensure the compatibility of autonomous trains and autonomous train technology with regulatory expectations, requirements relating to safety and legal liability. On March 29, 2018, for instance, the FRA issued a formal Request For Information, or RFI, regarding the "future of automation in the railroad industry," which is part of a broader effort by the U.S. Department of Transportation to advance the safe deployment of autonomous technologies. We cannot anticipate what regulations will materialize from the FRA's RFI, or from parallel inquiries underway in other countries in which we operate. Likewise, we cannot predict the limitations, restrictions and controls nor the economic consequences flowing from such regulations. Should restrictive regulations apply, they could delay the introduction of autonomous train technology, cause us to redesign aspects of our products, impose additional costs and adversely affect our results of operations. We cannot assure you that we have been or will be at all times in complete compliance with such laws, regulations and permits.

Our business is subject to risks arising from the COVID-19 pandemic which has impacted and continues to impact our business.

Public health epidemics or outbreaks could adversely impact our business. In late 2019, a novel strain of COVID-19, also known as coronavirus, was reported in Wuhan, China. While initially the outbreak was largely concentrated in China, it has now spread to countries across the globe, including in Israel and the United States. Many countries around the world, including Israel and the United States, have implemented significant governmental measures to control the spread of the virus, including temporary closure of businesses, severe restrictions on travel and the movement of people, and other material limitations on the conduct of business. With the ongoing COVID-19 global pandemic, we have implemented business continuity plans designed to address and mitigate the impact of the COVID-19 pandemic on its employees and its business. In particular, we implemented remote working and work place protocols for our employees in accordance with government requirements. The implementation of measures to prevent the spread of COVID-19 have resulted in disruptions to our partnering efforts which depend, in part, on attendance at in-person meetings, industry conferences and other events and during 2020 we engaged in cost-cutting measures that included temporary salary reductions, reduction of headcount and placing employees on unpaid leave. The outbreak of COVID-19 has affected our activities in several ways, including making it more difficult for us to raise capital, we have experienced disruptions to our partnering efforts which depend, in part, on attendance at in person meetings, industry conferences and other events, employees are required to quarantine from time to time upon exposure to COVID-19 impacting their performance, and we have experienced shortages of and delays in both raw materials and electronic components such as computer chips. Due to COVID-19 impacting the global supply chain, supplies and component shortages are negatively impacting our ability to plan and deliver upon orders received in a timely fashion, and supply chain disruption, component shortages and shipping challenges are increasing our costs. These increased costs may require us to raise prices of our products in turn; such price increases may result in our products being less price-competitive in the market. It is not possible at this time to estimate the full impact that the COVID-19 pandemic could have on our operations, as the impact will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration and severity of the outbreak, and the actions that may be required to contain COVID-19 or treat its impact. Any actions we take to counteract the consequences of the COVID-19 pandemic may not be successful, and the ultimate impact of COVID-19 on our operations is uncertain.

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 managing these growth activities. We may not be able to effectively manage the expansion of our operations, which may result in weaknesses in our infrastructure, operational mistakes, loss of business opportunities, failure to deliver and 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. 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.

Our operating results and financial condition may fluctuate.

Even if we are successful in introducing our products to the market, the operating results and financial condition of our company may fluctuate from quarter to quarter and year to year and are likely to continue to vary due to a number of factors, many of which will not be within our control. If our operating results do not meet the guidance that we provide to the marketplace or the expectations of securities analysts or investors, the market price of our ordinary shares will likely decline. Fluctuations in our operating results and financial condition may be due to a number of factors, including those listed below:

- the degree of market acceptance of our 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 systems 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;
- 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 dollar-NIS 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;
- the level of research and development activities by our company; and
- changes in end-use/end-user governmental regulation policy.

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

The markets in which we participate are competitive. Even if we are successful in completing the development of our products in development, our failure to compete successfully could cause any future revenues and the demand for our products not to materialize or to decline over time.

We aim to sell our products to train operators and/or rolling stock manufacturers. We are still in the development stage and many of our competitors have extensive track records and relationships within the rail industry and/or the automotive industry. Many of our current and potential competitors have longer operating histories and more extensive name recognition than we have and may also have greater financial, marketing, manufacturing, distribution and other resources than we have. Current and future competitors may be able to respond more quickly to new or emerging technologies and changes in customer demands and to devote greater resources to the development, promotion and sale of their products than we can. Our current and potential competitors may develop and market new technologies that render our existing or future products obsolete, unmarketable or less competitive (whether from a price perspective or otherwise). We cannot assure you that we will be able to establish a competitive position or to compete successfully against current and future sources of competition.

If our relationships with suppliers for our products and services, especially with single source suppliers of components of our products, were to terminate or our manufacturing arrangements were to be disrupted, our business could be interrupted.

We purchase component parts that are used in our products from third-party suppliers. While there are several potential suppliers of most of these component parts that we use, we currently choose to use only one or a limited number of suppliers for several of these components. Our reliance on a single or limited number of vendors involves a number of risks, including:

- potential shortages of some key components;
- product performance shortfalls, if traceable to particular product components, since the supplier of the faulty component cannot readily be replaced;
- discontinuation of a product on which we rely;
- potential delays of several months in the delivery of components in the event a replacement product is sought;
- potential insolvency of these vendors; and
- reduced control over delivery schedules, manufacturing capabilities, quality and costs.

In addition, we require any new supplier to become “qualified” pursuant to our internal procedures. The qualification process involves evaluations of varying durations, which may cause production delays if we were required to qualify a new supplier unexpectedly. We generally assemble our systems and parts based on our internal forecasts and the availability of assemblies, components and finished goods that are supplied to us by third parties, which are subject to various lead times. If certain suppliers were to decide to discontinue production of an assembly, or component that we use, the unanticipated change in the availability of supplies, or unanticipated supply limitations, could cause delays in, or loss of, sales, increased production or related costs and consequently reduced margins, and damage to our reputation. If we were unable to find a suitable supplier for a particular component or compound, we could be required to modify our existing products or the end-parts that we offer to accommodate substitute components or compounds.

Furthermore, in some of our agreements, customers require the ability to maintain systems for a period of at least ten years. During such a long period, there is a risk that some of the system components of our products will become obsolete and will not be available from our suppliers. Therefore, there is a risk that we will be obliged to hold an inventory of components that may become obsolete, or be forced to locate or develop alternatives to such components.

Discontinuation of operations at our and third-parties' manufacturing sites could prevent us from timely filling customer orders and could lead to unforeseen costs for us.

We plan to assemble and test the systems that we sell at single facilities in various locations that are specifically dedicated to separate categories of systems. Because of our reliance on all of these production facilities, a disruption at any of those facilities could materially damage our ability to supply our products to the marketplace in a timely manner. Depending on the cause of the disruption, we could also incur significant costs to remedy the disruption and resume product shipments. Such disruptions may be caused by, among other factors, earthquakes, fire, flood and other natural disasters. Accordingly, any such disruption could result in a material adverse effect on our revenue, results of operations and earnings, and could also potentially damage our reputation. Additionally, we rely on third-party manufacturers for components of our products, and we do not have control over the facilities of these third-party manufacturers.

Our planned 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 derive a substantial percentage of our sales from international markets. Accordingly, we will face significant operational risks from doing business internationally, including:

- having to ship and/or manufacture overseas;
- cultural barriers sustained by conducting business activity in foreign countries;
- 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;
- 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;
- 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.

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

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

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

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

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

We are subject to data ownership and privacy regulations which may expose us to lawsuits and sanctions for violations.

Under the General Data Protection Regulation (GDPR) of the European Union, there are general restrictions regarding the photographing of images without the knowledge and permission of the person being photographed. In this context, the information collected by our system’s detection units must be protected and encrypted. Failure to comply with these regulations under the GDPR may expose us to lawsuits and sanctions for such violations. In addition, the ownership of the information collected through our system’s detection units is determined in accordance with the local law under which the train operates and will usually remain the property of the customer, with us receiving only limited permission to make use of the information for system improvement but not for other uses, and all subject to the provisions of the said law. These limitations may impede the implementation of our plans to develop certain services through the processing of information obtained by the systems.

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

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

Changes in U.S. and foreign tax laws could have a material adverse effect on our business, cash flow, results of operations or financial conditions

We are subject to taxation in several countries, including the United States and Israel; changes in tax laws or challenges to our tax positions could adversely affect our business, results of operations, and financial condition. As such, we are subject to tax laws, regulations, and policies of the U.S. federal, state, and local governments and of comparable taxing authorities in foreign jurisdictions. Changes in tax laws, including the U.S. federal tax legislation enacted in 2017, commonly referred to as the Tax Cuts and Jobs Act of 2017, as well as other factors, could cause us to experience fluctuations in our tax obligations and effective tax rates in the future and otherwise adversely affect our tax positions and/or our tax liabilities. There can be no assurance that our effective tax rates, tax payments, tax credits, or incentives will not be adversely affected by changes in tax laws in various jurisdictions.

The Biden administration has proposed a number of changes to the U.S. tax system. The proposals include changes that would increase U.S. corporate tax rates, impose a corporate minimum book tax, and double the tax rate on and make other tax changes to "global intangible low-taxed income" earned by foreign subsidiaries. Many aspects of the proposals are unclear or undeveloped. We are unable to predict which, if any, U.S. tax reform proposals will be enacted into law, and what effects any enacted legislation might have on our liability for U.S. tax.

We have identified a material weakness in our entity level control components relating to documenting our financial reporting process, and our management will be required to devote substantial time to maintaining and improving our internal controls over financial reporting and the requirements of being a public company which may, among other things, strain our resources, divert management's attention and affect our ability to accurately report our financial results and prevent fraud

We are not currently required to comply with the rules of the SEC implementing Section 404 of the Sarbanes-Oxley Act, or Section 404, and therefore are not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. Upon becoming a publicly traded company, we will be required to comply with the SEC's rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act, which will require management to certify financial and other information in our annual reports and provide an annual management report on the effectiveness of control over financial reporting. Though we will be required to disclose material changes in internal control over financial reporting on an annual basis, we will not be required to make our first annual assessment of our internal control over financial reporting pursuant to Section 404 until the year following our first annual report required to be filed with the SEC. Additionally, while we remain an emerging growth company, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with Section 404 within the prescribed period, we will be engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. We have identified a material weakness in our entity level control components relating to documenting our financial reporting process. Following the completion of this offering, we expect to take a number of measures to address the material weaknesses that have been identified. In this regard, we will need to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. We currently have limited accounting personnel and we have begun the process of evaluating the adequacy of our accounting personnel staffing level and other matters related to our internal control over financial reporting. Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed timeframe or at all, that our internal control over financial reporting is effective as required by Section 404. If we identify one or more material weaknesses once we are a public company, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements. As a result, the market price of our ordinary shares could be negatively affected, and we could become subject to investigations by the stock exchange on which our securities are listed, the SEC or other regulatory authorities, which could require additional financial and management resources.

We may not be able to successfully manage our planned growth and expansion.

We expect to continue to make investments in our products in development. We expect that our annual operating expenses will continue to increase as we invest in business development, marketing, research and development, manufacturing and production infrastructure, and develop customer service and support resources for future customers. Failure to expand operational and financial systems timely or efficiently 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 negatively impacted.

If our business grows, we will have to manage additional product design projects, materials procurement processes, and sales efforts and marketing 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 negatively impact our operating results. Additionally, in our efforts to develop new products with innovative functionality and features, we may devote significant 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.

Our future success depends in part on our ability to retain our executive officers and to attract, retain and motivate other qualified personnel.

We are highly dependent on the services of both Shahar Hania, our Chief Executive Officer, and Ofer Naveh, our Chief Financial Officer. The loss of their services without proper replacement may adversely impact the achievement of our objectives. Messrs. Hania and Naveh may leave our employment at any time subject to contractual notice periods, as applicable. Also, our performance is largely dependent on the talents and efforts of highly skilled individuals, particularly our software engineers. Recruiting and retaining qualified employees, consultants, and advisors for our business, including scientific and technical personnel, will also be critical to our success. There is currently a shortage of skilled personnel in our industry, which is likely to continue. As a result, competition for skilled personnel is intense and the turnover rate can be high. We may not be able to attract and retain personnel on acceptable terms given the competition in the industry in which we operate. Moreover, certain of our competitors or other technology businesses may seek to hire our employees. The inability to recruit and retain qualified personnel, or the loss of the services of our executive officers, without proper replacement, may impede the progress of our development and commercialization objectives.

Under applicable employment laws, we may not be able to enforce covenants not to compete and therefore may be unable to prevent our competitors from benefiting from the expertise of some of our former employees.

We generally enter into non-competition agreements with our employees. These agreements prohibit our employees from competing directly with us or working for our competitors or clients for a limited period after they cease working for us. We may be unable to enforce these agreements under the laws of the jurisdictions in which our employees work and it may be difficult for us to restrict our competitors from benefiting from the expertise that our former employees or consultants developed while working for us. For example, Israeli courts have required employers seeking to enforce non-compete undertakings of a former employee to demonstrate that the competitive activities of the former employee will harm one of a limited number of material interests of the employer that have been recognized by the courts, such as the secrecy of a company's confidential commercial information or the protection of its intellectual property. If we cannot demonstrate that such interests will be harmed, we may be unable to prevent our competitors from benefiting from the expertise of our former employees or consultants and our ability to remain competitive may be diminished.

Risks Related to Our Intellectual Property

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

Historically, we have relied on trade secret protection and confidentiality agreements to protect the intellectual property related to our technologies and products. Since our incorporation, we have also sought patent protection for certain of our 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 technology and new products.

We have sought to protect our proprietary position by filing patent applications in 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.

We have a growing portfolio of four (4) patents issued in the USA; one (1) patent issued in China; one (1) patent issued from the European Patent Office (EPO) and being validated in Germany, Switzerland, Hungary, Austria, Denmark, France and Great Britain; one (1) patent issued in Japan; thirty nine (39) pending patent applications, of which two (2) are US provisional patent applications and thirty six (36) are national phase patent applications filed in the USA, EPO, China, Japan and India under the provisions of the Patent Cooperation Treaty (PCT) through World Intellectual Property Organization (WIPO); and one (1) patent application in Hong Kong requested based on Chinese national phase patent application. We cannot offer any assurances about which, if any, patent applications will be issued, the breadth of any such patent once issued, or whether any issued patents will be found invalid or unenforceable or will be threatened by third parties. Any successful opposition to these patents or any other patents owned by or licensed to us could deprive us of rights necessary for the successful commercialization of any existing or new products.

Also, there is no guarantee that the patent registration applications that were submitted by us with regards to our technologies will result in patent registration. In the event of failure to complete patent registration, the Company’s developments will not be proprietary, which might allow other entities to manufacture the Company’s products and compete with us.

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.

If we are unable to maintain effective proprietary rights for our products, we may not be able to compete effectively in our markets.

In addition to the protection afforded by any patents that may be granted, we seek to protect our proprietary technology and processes, in part, by entering into confidentiality agreements with our employees, consultants, scientific advisors, and contractors. We also seek to preserve the integrity and confidentiality of our data, trade secrets and intellectual property by maintaining physical security of our premises and physical and electronic security of our information technology systems. Agreements or security measures may be breached, and we may not have adequate remedies for any breach. In addition, our trade secrets and intellectual property may otherwise become known or be independently discovered by competitors.

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

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

It is inherently difficult to conclusively assess our freedom to operate without infringing on third party rights. Our competitive position may be adversely affected if existing patents or patents resulting from patent applications issued to third parties or other third party intellectual property rights are held to cover our products or 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 product candidates 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 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 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 are issued. Patent applications in the United States and elsewhere are published approximately 18 months after the earliest filing for which priority is claimed, with such earliest filing date being commonly referred to as the priority date. Therefore, patent applications covering our new products or platform technology 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 products or the use of our 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 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 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 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 the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. We therefore cannot be certain that we were the first to file the invention claimed in our owned and licensed patent or pending applications, or that we or our licensor were the first to file for patent protection of such inventions. Assuming all other requirements for patentability are met, in the United States prior to March 15, 2013, the first to make the claimed invention without undue delay in filing, is entitled to the patent, while outside the United States, the first to file a patent application is entitled to the patent. After March 15, 2013, under the Leahy-Smith America Invents Act, or the Leahy-Smith Act, enacted on September 16, 2011, the United States has moved to a first to file system. The Leahy-Smith Act also includes a number of significant changes that affect the way patent applications will be prosecuted and may also affect patent litigation. In general, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of any issued patents, all of which could have a material adverse effect on our business and financial condition.

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

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

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

In addition, under the Israeli Patent Law, 5727-1967, or the Patent Law, inventions conceived by an employee in the course and as a result of or arising from his or her employment with a company are regarded as “service inventions,” which belong to the employer, absent a specific agreement between the employee and employer giving the employee service invention rights. The Patent Law also provides that if there is no such agreement between an employer and an employee, the Israeli Compensation and Royalties Committee, or the Committee, a body constituted under the Patent Law, shall determine whether the employee is entitled to remuneration for his inventions. Recent case law clarifies that the right to receive consideration for “service inventions” can be waived by the employee and that in certain circumstances, such waiver does not necessarily have to be explicit. The Committee will examine, on a case-by-case basis, the general contractual framework between the parties, using interpretation rules of the general Israeli contract laws. Further, the Committee has not yet determined one specific formula for calculating this remuneration (but rather uses the criteria specified in the Patent Law). Although we generally enter into assignment-of-invention agreements with our employees pursuant to which such individuals assign to us all rights to any inventions created in the scope of their employment or engagement with us, we may face claims demanding remuneration in consideration of assigned inventions. As a consequence of such claims, we could be required to pay additional remuneration or royalties to our current and former employees, or be forced to litigate such claims, which could negatively affect our business.

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.

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 such products from competing with our products.

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.

Risks Related to this Offering and the Ownership of Our Securities

Our principal shareholders, officers and directors beneficially own approximately 71% of our outstanding ordinary shares. They will therefore be able to exert significant control over matters submitted to our shareholders for approval, which could limit your ability to influence the outcome of key transactions, including a change of control, and which may result in conflicts with us or you in the future.

As of March 21, 2022, our principal shareholders, officers and directors beneficially own approximately 71% of our ordinary shares. This number includes Knorr-Bremse's beneficial ownership of approximately 40.4% of our ordinary shares and Foresight's beneficial ownership of approximately 19.1% of our ordinary shares. Following this offering, our principal shareholders, officers and directors will beneficially own approximately 55% of our ordinary shares, without giving effect to any participation in this offering by any such beneficial owner. This significant concentration of share ownership may adversely affect the trading price for our ordinary shares because investors often perceive disadvantages in owning shares in companies with controlling shareholders. As a result, these shareholders, if they acted together, could significantly influence or even unilaterally approve matters requiring approval by our shareholders, including the election of directors and the approval of mergers or other business combination transactions. The interests of these shareholders may not always coincide with our interests or the interests of other shareholders, and which may result in conflicts with us or you in the future.

Certain of our directors have relationships with our principal shareholders, which may cause conflicts of interest with respect to our business.

Two of our current directors are affiliated with Knorr-Bremse and one director is affiliated with Foresight, our largest shareholders. In addition, pursuant to our articles of association that will be in effect upon the consummation of this offering, shareholders will be entitled to appoint a director to our board of director for each 10% of our outstanding share capital that they own . As a result, these directors may face real or apparent conflicts of interest with respect to matters affecting both us and Knorr-Bremse or Foresight, whose interests may be adverse to ours in certain circumstances.

If you purchase securities in this offering, you will incur immediate and substantial dilution in the book value of your ordinary shares included as part of the units or that may be issued upon the exercise of any pre-funded warrants included in the pre-funded units.

The assumed offering price of the ordinary shares included as part of the units or that may be issued upon the exercise of any pre-funded warrants included in the pre-funded units being offered hereby 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 included as part of the units or that may be issued upon the exercise of any pre-funded warrants included in the pre-funded units that substantially exceeds our net tangible book value per ordinary share included as part of the units or that may be issued upon the exercise of any pre-funded warrants included in the pre-funded units after this offering. To the extent outstanding options or warrants are exercised, you will incur further dilution. Based on the assumed offering price of $5.00 per unit or pre-funded unit, you will experience immediate dilution of $3.38 per ordinary share included as part of the units or that may be issued upon the exercise of any pre-funded warrants included in the pre-funded units, representing the difference between our pro forma as adjusted net tangible book value per ordinary share as of June 30, 2021 after giving effect to this offering and the assumed offering price. In addition, purchasers of our ordinary shares in this offering will have contributed approximately 29% of the aggregate price paid by all purchasers of our ordinary shares but will own only approximately 23% of our ordinary shares outstanding after this offering. See "Dilution."

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.

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

- 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;

- 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 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;

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

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

We cannot predict if investors will find 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, and intend, to follow certain home country corporate governance practices instead of otherwise applicable SEC and Nasdaq requirements, which may result in less protection than is accorded to investors under rules applicable to domestic U.S. issuers.

Our status as a "foreign private issuer" exempts us from compliance with certain SEC laws and regulations and certain regulations of the Nasdaq Stock Market, 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 will not be required under the Exchange Act to file current reports and financial statements with the SEC as frequently or as promptly as U.S. domestic companies whose securities are registered under the Exchange Act and we will generally be exempt from filing quarterly reports with the SEC. Also, although the Israeli Companies Law, or the Companies Law, will require us to disclose the annual compensation of our five most highly compensated senior officers on an individual basis, this disclosure will not be as extensive as that required of a U.S. domestic issuer. For example, the disclosure required under the Companies Law is limited to compensation paid in the immediately preceding year without any requirement to disclose option exercises and vested stock options, pension benefits or potential payments upon termination or a change of control. 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.

We may be a "passive foreign investment company", or PFIC, for U.S. federal income tax purposes in the current taxable year or may become one in any subsequent taxable year. There generally would be negative tax consequences for U.S. taxpayers that are holders of 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 believe we may be a PFIC during 2021 and although we have not determined whether we will be a PFIC in 2022, or in any subsequent year, our operating results for any such years may cause us to be a PFIC. The determination of whether we are a PFIC is made on an annual basis and will depend on the composition of our income and assets from time to time. We will be treated as a PFIC for U.S. federal income tax purposes in any taxable year in which either (1) at least 75% of our gross income is "passive income" or (2) on average at least 50% of our assets by value produce passive income or are held for the production of passive income. Passive income for this purpose generally includes, among other things, certain dividends, interest, royalties, rents and gains from commodities and securities transactions and from the sale or exchange of property that gives rise to passive income. Passive income also includes amounts derived by reason of the temporary investment of funds, including those raised in a public offering. In determining whether a non-U.S. corporation is a PFIC, a proportionate share of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest (by value) is taken into account. The tests for determining PFIC status are applied annually, and it is difficult to make accurate projections of future income and assets which are relevant to this determination. In addition, our PFIC status may depend in part on the market value of our ordinary shares. Accordingly, there can be no assurance that we currently are not or will not become a PFIC in the future. If we are a PFIC in any taxable year during which a U.S. taxpayer holds our ordinary shares, such U.S. taxpayer would be subject to certain adverse U.S. federal income tax rules. In particular, if the U.S. taxpayer did not make an election to treat us as a "qualified electing fund", or QEF, or make a "mark-to-market" election, then "excess distributions" to the U.S. taxpayer, and any gain realized on the sale or other disposition of our ordinary shares by the U.S. taxpayer: (1) would be allocated ratably over the U.S. taxpayer's holding period for the ordinary shares; (2) the amount allocated to the current taxable year and any period prior to the first day of the first taxable year in which we were a PFIC would be taxed as ordinary income; and (3) the amount allocated to each of the other taxable years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year. In addition, if the U.S. Internal Revenue Service, or the IRS, determines that we are a PFIC for a year with respect to which we have determined that we were not a PFIC, it may be too late for a U.S. taxpayer to make a timely QEF or mark-to-market election. U.S. taxpayers that have held our ordinary shares during a period when we were a PFIC will be subject to the foregoing rules, even if we cease to be a PFIC in subsequent years, subject to exceptions for U.S. taxpayer who made a timely QEF or mark-to-market election. A U.S. taxpayer can make a QEF election by completing the relevant portions of and filing IRS Form 8621 in accordance with the instructions thereto. We do not intend to notify U.S. taxpayers that hold our ordinary shares if we believe we will be treated as a PFIC for any taxable year in order to enable U.S. taxpayers to consider whether to make a QEF election. In addition, we do not intend to furnish such U.S. taxpayers annually with information needed in order to complete IRS Form 8621 and to make and maintain a valid QEF election for any year in which we or any of our, if any, are a PFIC. U.S. taxpayers that hold 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 a QEF or mark-to-market election 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 United States person is treated as owning at least 10% of our ordinary shares, such holder may be subject to adverse U.S. federal income tax consequences.

If a United States 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" with respect to each controlled foreign corporation, or 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 we make 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 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 investors in determining whether we are treated as CFC or whether any investor is treated as a United States shareholder with respect to CFC or furnish to any United States shareholders information that may be necessary to comply with the aforementioned reporting and tax paying obligations. The United States Internal Revenue Service has provided limited guidance on situations in which investors may rely on publicly available information to comply with their reporting and tax paying obligations with respect to foreign-controlled CFCs. A United States investor should consult its 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 shares have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Litigation of this type could result in substantial costs and diversion of management's attention and resources, which could seriously hurt our business. Any adverse determination in litigation could also subject us to significant liabilities.

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, or the perception that these sales might occur, could depress the market price of our ordinary shares and could impair our ability to raise capital through the sale of additional equity securities. Furthermore, while our directors, officers and certain shareholders will be subject to lock-up agreements with the underwriter of this offering that restrict their ability to transfer our ordinary shares for at least six months from the date of this prospectus, approximately % of our shareholders will not be subject to such lock-up and may sell their shares at any time. 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."

Participation in this offering by certain of our existing shareholders, including entities affiliated with certain of our directors and beneficial owners of greater than 5% of our share capital, could reduce the public float for our shares.

Certain of our existing shareholders, including entities affiliated with certain of our directors and beneficial owners of greater than 5% of our share capital, have indicated an interest in purchasing up to an aggregate of $2.5 million of units in this offering at the initial public offering price per unit. However, because indications of interest are not binding agreements or commitments to purchase, the underwriter may determine to sell more, less or no units in this offering to any of these shareholders, or any of these shareholders may determine to purchase more, less or no units in this offering. The underwriter will receive the same underwriting discount on any units purchased by these shareholders as it will on any other shares sold to the public in this offering.

If these shareholders are allocated all or a portion of the units in which each has indicated an interest in this offering or are allocated more units than each has indicated an interest in this offering, and these shareholders purchase any such units, such purchase could reduce the available public float for our units if these shareholders hold these units long-term.

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

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

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

In addition, the stock market in general has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. Broad market and industry factors may negatively affect the market price of our ordinary shares, regardless of our actual operating performance, and we have little or no control over these factors.

The warrants included in the units and pre-funded units are expected to be listed on Nasdaq separately upon the pricing of this offering, and may provide investors with an arbitrage opportunity that could adversely affect the trading price of our ordinary shares.

Because the units and pre-funded units will never trade as a unit, and the warrants are expected to be traded on Nasdaq, investors may be provided with an arbitrage opportunity that could depress the price of our ordinary shares.

The warrants and pre-funded warrants are speculative in nature.

Except as otherwise set forth therein, the warrants and pre-funded warrants offered in this offering do not confer any rights of ordinary share ownership on their holders, such as voting rights, but rather merely represent the right to acquire ordinary shares at a fixed price for a limited period of time. Specifically, commencing on the date of issuance, holders of the warrants may exercise their right to acquire ordinary shares and pay an exercise price of $5.00 (based on an assumed public offering price of $5.00 per unit) per ordinary share, representing 100% of the public offering price per Unit, prior to five years from the date of issuance, after which date any unexercised warrants will expire and have no further value. In addition, commencing on the date of issuance, holders of the pre-funded warrants may exercise their right to acquire ordinary shares and pay an exercise price of $0.001 per ordinary share, subject to adjustment upon certain events. There can be no assurance that the market price of our ordinary shares will continue to equal or exceed the exercise price of the warrants offered by this prospectus. In the event that our ordinary shares price does not exceed the exercise price of such warrants during the period when such warrants are exercisable, the warrants may not have any value.

There is no established market for the warrants and pre-funded warrants being offered in this offering.

There is no established trading market for the warrants and pre-funded warrants offered in this offering. We do not intend to apply for listing of the pre-funded warrants on any securities exchange or other nationally recognized trading system. Although we have applied to list the warrants on Nasdaq there can be no assurance that there will be an active trading market for the warrants. Without an active trading market, the liquidity of the warrants will be limited.

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

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

Risks Related to Israeli Law and Our Incorporation, Location and Operations in Israel

We are exposed to fluctuations in currency exchange rates, which could negatively affect our financial condition and results of operations.

Our functional and reporting currency is the U.S. dollar. A material portion of our operating expenses is incurred outside the United States, mainly in NIS, and is subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in NIS. Our foreign currency-denominated expenses consist primarily of personnel, rent and other overhead costs. Since a significant portion of our expenses is incurred in NIS, any appreciation of the NIS relative to the U.S. dollar would adversely impact our net loss or net income, as relevant. We are therefore exposed to foreign currency risk due to fluctuations in exchange rates. This may result in gains or losses with respect to movements in exchange rates which may be material and may also cause fluctuations in reported financial information that are not necessarily related to its operating results. In relation to the effect of inflation, results for tax purposes are measured in terms of earnings in NIS after certain adjustments for increases in the Israeli Consumer Price Index, or CPI. As the results in our financial statements are measured in U.S. dollars, the difference between the annual change in the Israeli CPI and in the NIS/U.S. dollar exchange rate can cause a difference between taxable income and the net loss shown in the financial statements. We expect that the majority of our revenues will be generated in U.S. dollars with the balance in EURO for the foreseeable future, and that a significant portion of our expenses will continue to be denominated in NIS and partially in U.S. dollars and EURO. To date, foreign currency transaction gains and losses and exchange rate fluctuations have not been material to our financial statements, and we have not engaged in any foreign currency hedging transactions.

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

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

Israeli tax considerations also may make potential transactions unappealing to us or to our shareholders whose country of residence does not have a tax treaty with Israel exempting such shareholders from Israeli tax. For example, Israeli tax law does not recognize tax-free share exchanges to the same extent as U.S. tax law. With respect to mergers, Israeli tax law allows for tax deferral in certain circumstances but makes the deferral contingent on the fulfillment of a number of conditions, including, in some cases, a holding period of two years from the date of the transaction during which sales and dispositions of shares of the participating companies may be subject to certain restrictions and additional terms. Moreover, with respect to certain share swap transactions, the tax deferral is limited in time, and when such time expires, the tax becomes payable even if no disposition of the shares has occurred. See "Taxation—Israeli Tax Considerations and Government Programs" for additional information.

Your rights and responsibilities as a holder of our securities will be governed by Israeli law, which differs in some material respects from the rights and responsibilities of shareholders of U.S. companies.

We are incorporated under Israeli law. The rights and responsibilities of the holders of our ordinary shares are governed by our articles of association and by Israeli law. These rights and responsibilities differ in some material respects from the rights and responsibilities of shareholders in typical U.S.-based corporations. In particular, a shareholder of an Israeli company has certain duties to act in good faith and in a customary manner in exercising its rights and performing its obligations towards the company and other shareholders and to refrain from abusing its power in the company including, among other things, in voting at the general meeting of shareholders on certain matters, such as an amendment to the company's articles of association, an increase of the company's authorized share capital, a merger of the company, and approval of related party transactions that require shareholder approval. A shareholder also has a general duty to refrain from discriminating against other shareholders. In addition, a controlling shareholder or a shareholder who knows that it possesses the power to determine the outcome of a shareholder vote or to appoint or prevent the appointment of an officer of the company has a duty to act in fairness towards the company with regard to such vote or appointment. However, Israeli law does not define the substance of this duty of fairness. There is limited case law available to assist us in understanding the nature of this duty or the implications of these provisions. These provisions may be interpreted to impose additional obligations on holders of our ordinary shares that are not typically imposed on shareholders of U.S. corporations. See "Management—Board Practices—Duties of Shareholders" for additional information.

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

We were incorporated in Israel and our corporate headquarters are located in Israel. All of our executive officers and directors and the Israeli experts named in this prospectus are located outside of the U.S. All of our assets and most of the assets of these persons are located in Israel. Therefore, a judgment obtained against us, or any of these persons, including a judgment based on the civil liability provisions of the U.S. federal securities laws, may not be collectible in the United States and may not 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. As a result of the difficulty associated with enforcing a judgment against us in Israel, you may not be able to collect any damages awarded by either a U.S. or foreign court. See "Enforceability of Civil Liabilities" for additional information on your ability to enforce a civil claim against us and our executive officers or directors named in this prospectus.

Our headquarters, research and development and other significant operations are located in Israel, and, therefore, our results may be adversely affected by political, economic and military instability in Israel.

Our executive offices, corporate headquarters and research and development facilities are located in Israel. In addition, all of our officers and directors are residents of Israel. Accordingly, political, economic and military conditions in Israel and the surrounding region may directly affect our business. Since the establishment of the State of Israel in 1948, a number of armed conflicts have taken place between Israel and its neighboring Arab countries, the Hamas (an Islamist militia and political group that controls the Gaza strip) and the Hezbollah (an Islamist militia and political group based in Lebanon). Any hostilities involving Israel or the interruption or curtailment of trade between Israel and its trading partners could negatively affect business conditions in Israel in general and our business in particular, and adversely affect our operations and results of operations. Ongoing and revived hostilities or other Israeli political or economic factors, such as, an interruption of operations at the Ben Gurion International Airport, could prevent or delay our regular operation, product development and delivery of products.

In addition, political uprisings, social unrest and violence in various countries in the Middle East and North Africa, including Israel's neighbor Syria, is affecting the political stability and may lead to deterioration in the political and trade relationships that exist between the State of Israel and certain other countries. Any armed conflicts, terrorist activities or political instability in the region could adversely affect business conditions, could harm our results of operations and the market price of our securities, and could make it more difficult for us to raise capital. Parties with whom we do business may sometimes decline to travel to Israel during periods of heightened unrest or tension, forcing us to make alternative arrangements when necessary in order to meet our business partners face to face. Several countries, principally in the Middle East, still restrict doing business with Israel and Israeli companies, and additional countries may impose restrictions on doing business with Israel and Israeli companies if hostilities in Israel or political instability in the region continues or increases. Similarly, Israeli companies are limited in conducting business with entities from several countries. For instance, the Israeli legislature passed a law forbidding any investments in entities that transact business with Iran. In addition, the political and security situation in Israel may result in parties with whom we have agreements involving performance in Israel claiming that they are not obligated to perform their commitments under those agreements pursuant to force majeure provisions in such agreements.

Our insurance does not cover losses that may occur as a result of an event associated with the security situation in the Middle East or for any resulting disruption in our operations. Although the Israeli government has in the past covered the reinstatement value of direct damages that were caused by terrorist attacks or acts of war, we cannot assure you that this government coverage will be maintained or, if maintained, will be sufficient to compensate us fully for damages incurred, and the government may cease providing such coverage or the coverage might not suffice to cover potential damages. Any losses or damages incurred by us could have a material adverse effect on our business.

Further, in the past, the State of Israel and Israeli companies have been subjected to economic boycotts. Several countries still restrict business with the State of Israel and with Israeli companies. These restrictive laws and policies may have an adverse impact on our operating results, financial conditions or the expansion of our business.

Our operations may be disrupted as a result of the obligation of management or key personnel to perform military service.

Our employees and consultants in Israel, including members of our senior management, may be obligated to perform one month, and in some cases longer periods, of military reserve duty until they reach the age of 40 (or older, for citizens who hold certain positions in the Israeli armed forces reserves) and, in the event of a military conflict or emergency circumstances, may be called to immediate and unlimited active duty. In the event of severe unrest or other conflict, individuals could be required to serve in the military for extended periods of time. In response to increases in terrorist activity, there have been periods of significant call-ups of military reservists. It is possible that there will be similar large-scale military reserve duty call-ups in the future. Our operations could be disrupted by the absence of a significant number of our officers, directors, employees and consultants related to military service. Such disruption could materially adversely affect our business and operations. Additionally, the absence of a significant number of the employees of our Israeli suppliers and contractors related to military service or the absence for extended periods of one or more of their key employees for military service may disrupt their operations.

General Risk Factors

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

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

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

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

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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

Forward-looking statements include, but are not limited to, statements about:

- our lack of operating history;
- our current and future capital requirements and our belief that our existing cash and the net proceeds from this offering will be sufficient to fund our operations for at least the next 12 months;
- our ability to manufacture, market and sell our products and to generate revenues;
- our ability to maintain our relationships with key partners and grow relationships with new partners;
- our ability to maintain or protect the validity of our U.S. and other patents and other intellectual property;
- our ability to launch and penetrate markets in new locations and new market segments;
- our ability to retain key executive members and hire additional personnel;
- our ability to maintain and expand intellectual property rights;
- interpretations of current laws and the passages of future laws;
- our ability to achieve greater regulatory compliance needed in existing and new markets;
- the overall demand for passenger and freight transport;
- our ability to achieve key performance milestones in our planned operational testing; and
- acceptance of our business model by investors.

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

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

USE OF PROCEEDS

We currently expect to use the net proceeds from this offering for:

- approximately $8 million for research and development, including completion of our existing systems and continued development of new products;
- approximately $4.5 million for marketing, advertising and pre-commercialization activities;
- approximately $0.3 million (or approximately 1.5% of the gross offering proceeds) to be paid to Israel Railways in consideration of services rendered under our cooperation agreement with Israel Railways as more fully described elsewhere in this prospectus; and
- the remainder for working capital and general corporate purposes, and possible in-licensing of additional intellectual property.

The amounts and schedule of our actual expenditures will depend on multiple factors including the progress of our ongoing tests with train operators, the status and results of the tests, the pace of our partnering efforts in regards to manufacturing and commercialization and the overall regulatory environment. Therefore, our management will retain broad discretion over the use of the proceeds from this offering. We may ultimately use the proceeds for different purposes than what we currently intend. Pending any ultimate use of any portion of the proceeds from this offering, if the anticipated proceeds will not be sufficient to fund all the proposed purposes, our management will determine the order of priority for using the proceeds, as well as the amount and sources of other funds needed.

Based on our current plans, we believe that our existing cash and cash equivalents will be sufficient to fund our current operations until May 2022 without using the net proceeds from this offering and/or the net proceeds from exercise of existing warrants. We have based this estimate on assumptions that may prove to be incorrect, and we could use our available capital resources sooner than we currently expect.

Pending our use of the net proceeds from this offering, we may invest the net proceeds in a variety of capital preservation investments, including short-term, investment grade, interest bearing instruments and U.S. government securities.

DIVIDEND POLICY

We have never declared or paid any cash dividends on our ordinary shares and do not anticipate paying any cash dividends in the foreseeable future. However, 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. Our amended and restated articles of association to be effective upon the closing of this offering will not require shareholder approval of a dividend distribution and will provide that dividend distributions may be determined by our board of directors. Payment of cash dividends, if any, in the future will be at the discretion of our board of directors and will depend on then-existing conditions, including our financial condition, operating results, contractual restrictions, capital requirements, business prospects and other factors our board of directors may deem relevant.

Pursuant to the Companies Law, the distribution of dividends 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, 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, we may only distribute dividends with court approval. In each case, we are only permitted to distribute a dividend if our board of directors and the court, if applicable, 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.

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

CAPITALIZATION

The following table sets forth our cash and cash equivalents and our capitalization as of June 30, 2021:

- on an actual basis;
- on a pro forma basis to give effect to (i) the issuance of 8,949,203 bonus shares (equivalent to a forward share split at a ratio of 44-for-1) effected on February 13, 2022, (ii) the issuance of 10,256 Preferred A shares upon an investment of additional $2,000,000 by Knorr-Bremse on March 6, 2022, (iii) the conversion of 61,538 Preferred A shares into 2,707,672 ordinary shares (after giving effect to the issuance of bonus shares described above), which will be automatically converted immediately prior to the completion of this offering, and (iv) the issuance of 200,000 ordinary shares upon the automatic conversion of a SAFE investment in the aggregate amount of $1,000,000, immediately prior to the completion of this offering at an assumed conversion price equal to $5.00, the midpoint of the price range set forth on the cover page of this prospectus in all cases, as if such issuances and conversion had occurred on June 30, 2021; and
- on a pro forma as adjusted basis to give further effect to the sale of 3,550,000 units in this offering at an assumed public offering price of $5.00 per unit, the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, as if the sale of the ordinary shares had occurred on June 30, 2021.

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 related notes included elsewhere in this prospectus.

	As of June 30, 2021		
(in thousands of USD)	**Actual**	**Pro Forma**	**Pro Forma As Adjusted**
Cash and cash equivalents	$ 6,887	$ 9,887	$ 25,517
Temporary equity:			
Preferred A shares – NIS 0.01 par value - 100,000 shares authorized; 51,282 shares issued and outstanding, actual; and no shares authorized, issued and outstanding pro forma and pro forma as adjusted	9,965	-	
Shareholders' equity (deficit):			
Ordinary shares, NIS 0.01 par value - 99,900,000 shares authorized; 9,157,324 shares issued and outstanding, actual; 100,000,000 shares authorized and 12,066,668 issued and outstanding, pro forma; and 100,000,000 authorized and 15,616,668 shares issued and outstanding, pro forma as adjusted	25	33	44
Additional paid in capital (2)	35,974	48,931	64,560
Accumulated deficit	(39,247)	(39,247)	(39,247)
Total shareholders' equity (deficit)	(3,248)	9,717	25,357
Total capitalization	6,717	9,717	25,357

(1) Each $1.00 increase or decrease in the assumed initial public offering price of $5.00 per unit, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease, respectively, the amount of cash and cash equivalents, total shareholders' (deficiency) equity and total capitalization by $3.3 million, assuming the number of units 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. We may also increase or decrease the number of units we are offering. An increase or decrease of 100,000 in the number of units we are offering would increase or decrease, respectively, the amount of cash and cash equivalents, total shareholders' (deficiency) equity and total capitalization by $0.46 million, assuming no change in the assumed initial public offering price and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. The 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.

(2) The pro forma as adjusted additional paid-in capital includes warrants to be issued in connection with this offering are being accounted for as equity instruments in accordance with the guidance contained in ASC 815-40.

The number of shares shown above as issued and outstanding assumes is based on 12,066,668 ordinary shares outstanding as of June 30, 2021 after giving effect to (i) the issuance of 8,949,203 bonus shares (equivalent to a forward share split at a ratio of 44-for-1) effected on February 13, 2022, (ii) the issuance of 10,256 Preferred A shares upon an investment of additional $2,000,000 by Knorr-Bremse on March 6, 2022, (iii) the automatic conversion of 61,538 Preferred A shares into 2,707,672 ordinary shares (after giving effect to the issuance of bonus shares described above) at the closing of this offering, (iv) the issuance of 1,672 ordinary shares upon the exercise of ex-employee options on March 20, 2022, and (v) the issuance of 200,000 ordinary shares upon the automatic conversion of a SAFE investment in the aggregate amount of $1,000,000, at the closing of this offering at an assumed conversion price equal to $5.00, the midpoint of the price range set forth on the cover page of this prospectus, in each case as if such issuances and conversion had occurred on June 30, 2021 and excludes:

- 195,448 ordinary shares issuable to Israel Railways upon the exercise of warrants currently outstanding, with a nominal exercise price, which expire on June 30, 2022;
- 2,332,352 ordinary shares reserved for issuance under our Option Plan, of which options to purchase 1,248,676 ordinary shares were outstanding as of such date at a weighted average exercise price of $6.1393, 669,126 of which were vested as of such date; and
- 200,000 ordinary shares from the issuance upon the exercise of warrants issuable upon the automatic conversion of a SAFE investment at an exercise price of $5.00 (based on an assumed public offering price of $5.00 per unit).

DILUTION

If you invest in our securities shares, your interest will be diluted immediately to the extent of the difference between the assumed public offering price per ordinary share included in the units or that may be issued upon the exercise of any pre-funded warrants included in the pre-funded units and the pro forma as adjusted net tangible book value per ordinary share after this offering. At June 30, 2021, we had a net tangible book value deficit of $3,248,000 corresponding to a net tangible book value deficit of $0.35 per ordinary share. Net tangible book value per ordinary share represents the amount of our total tangible assets less our total liabilities, divided by 9,157,324, the total number of ordinary shares outstanding at June 30, 2021.

Our pro forma net tangible book value as of June 30, 2021 was $9,727,000, representing $0.81 per ordinary share. Pro forma net tangible book value per ordinary share represents the amount of our total tangible assets less our total liabilities, divided by 12,066,668, the total number of ordinary shares outstanding at June 30, 2021, after giving effect to (i) the issuance of 8,949,203 bonus shares (equivalent to a forward share split at a ratio of 44-for-1) effected on February 13, 2022, (ii) the issuance of 10,256 Preferred A shares upon an investment of additional $2,000,000 by Knorr-Bremse on March 6, 2022, (iii) the conversion of 61,538 Preferred A shares into 2,707,672 ordinary shares (after giving effect to the issuance of bonus shares described above), which will be automatically converted immediately prior to the completion of this offering, (iv) the issuance of 1,672 ordinary shares upon the exercise of ex-employee options on March 20, 2022, and (v) the issuance of 200,000 ordinary shares upon the automatic conversion of a SAFE investment in the aggregate amount of $1,000,000, immediately prior to the completion of this offering at an assumed conversion price equal to $5.00, the midpoint of the price range set forth on the cover page of this prospectus in all cases, as if such issuances conversion had occurred on June 30, 2021.

After giving further effect to the sale of 3,550,000 units offered by us in this offering, assuming no sale of pre-funded units, and 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 June 30, 2021 would have been approximately $25,357,000, representing $1.62 per ordinary share. At the assumed public offering price for this offering of $5.00 per unit, the midpoint of the price range as set forth on the cover page of this prospectus, this represents an immediate increase in historical net tangible book value of $0.82 per ordinary share to existing shareholders and an immediate dilution in net tangible book value of $3.38 per ordinary share to purchasers of units in this offering. Dilution for this purpose represents the difference between the price per unit 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:

Assumed initial public offering price per unit	$	5.00
Pro forma net tangible book value per ordinary share as of June 30, 2021	$	0.81
Increase in net tangible book value per ordinary share attributable to new investors	$	0.82
Pro forma as adjusted net tangible book value per ordinary share after this offering (1)	$	1.62
Dilution per ordinary share to new investors	$	3.38
Percentage of dilution in net tangible book value per ordinary share for new investors		67.5%

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 or decrease in the assumed initial public offering price of $5.00 per unit would increase or decrease our pro forma net tangible book value per ordinary share after this offering by $0.75 and the dilution per ordinary share to new investors by $0.75, assuming the number of units 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, and assuming no exercise of the over-allotment option and no exercise of any of the warrants or underwriter’s warrants issued pursuant to this offering and no sale of pre-funded units.

We may also increase or decrease the number of units we are offering.

An increase or decrease of 100,000 ordinary shares in the number of units offered by us would increase or decrease our pro forma net tangible book value after this offering by approximately $0.46 million and the pro forma net tangible book value per ordinary share after this offering by $0.02 per ordinary share and would increase or decrease the dilution per unit to new investors by $0.02, assuming no change in the assumed initial public offering price and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The following table summarizes, on a pro forma basis as of June 30, 2021, the differences between the number of ordinary shares as part of the units, or that may be issued upon the exercise of any pre-funded warrants included in the pre-funded units, the total consideration we received and the average price per ordinary share paid by the existing holders of our ordinary shares and by investors in this offering, and based upon an assumed public offering price of $9.00 per unit, the midpoint of the price range set forth on the cover page of this prospectus, before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

	Shares		Total Consideration		Average Price Per Ordinary
	Number	Percent	Amount	Percent	Share
Existing shareholders	12,066,668	77.3%	$ 44,157,000	71.3%	$ 3.66
New investors	3,550,000	22.7%	$ 17,750,000	28.7%	$ 5.00
Total	15,616,668	100.0%	$ 61,907,000	100%	$ 3.96

The number of shares shown above as issued and outstanding assumes is based on 11,976,107 ordinary shares outstanding as of June 30, 2021 after giving effect to (i) the issuance of 8,949,203 bonus shares (equivalent to a forward share split at a ratio of 44-for-1) effected on February 13, 2022, (ii) the issuance of 10,256 Preferred A shares upon an investment of additional $2,000,000 by Knorr-Bremse on March 6, 2022, (iii) the automatic conversion of 61,538 Preferred A shares into 2,707,672 ordinary shares (after giving effect to the issuance of bonus shares described above) at the closing of this offering, (iv) the issuance of 1,672 ordinary shares upon the exercise of ex-employee options on March 20, 2022, and (v) the issuance of 200,000 ordinary shares upon the automatic conversion of a SAFE investment in the aggregate amount of $1,000,000, at the closing of this offering at an assumed conversion price equal to $5.00, the midpoint of the price range set forth on the cover page of this prospectus, in each case as if such issuances and conversion had occurred on June 30, 2021 and excludes:

- 195,448 ordinary shares issuable to Israel Railways upon the exercise of warrants currently outstanding, with a nominal exercise price, which expire on June 30, 2022; and
- 2,332,352 ordinary shares reserved for issuance under our Option Plan, of which options to purchase 1,248,676 ordinary shares were outstanding as of such date at a weighted average exercise price of $6.1393 per share, 669,126 of which were vested as of such date; and
- 200,000 ordinary shares from the issuance upon the exercise of warrants issuable upon the automatic conversion of a SAFE investment at an exercise price of $5.00 (based on an assumed public offering price of $5.00 per unit).

If all of such options and warrants had been exercised as of June 30, 2021, the number of ordinary shares held by existing shareholders would increase to 13,710,792, the percentage of ordinary shares held by existing shareholders would increase to 87.8% of the total ordinary shares outstanding after this offering and the average price per ordinary share paid by the existing shareholders would be $3.85.

If the underwriter exercises its option to purchase additional ordinary shares and/or warrants in full in this offering, the number of ordinary shares held by new investors will increase to 4,082,500, or 25.3% of the total number of ordinary shares outstanding after this offering and the percentage of ordinary shares held by existing shareholders will decrease to 74.7% of the total ordinary shares outstanding.

Certain of our existing shareholders, including entities affiliated with certain of our directors and beneficial owners of greater than 5% of our share capital, have indicated an interest in purchasing up to an aggregate of $2.5 million of units in this offering at the initial public offering price per unit. Based on an assumed initial public offering price of $5.00 per unit, which is the midpoint of the price range set forth on the cover page of this prospectus, these shareholders would purchase up to an aggregate of 500,000 of the 3,550,000 units in this offering based on these indications of interest. However, because indications of interest are not binding agreements or commitments to purchase, these shareholders may determine to purchase more, less or no units in this offering. It is also possible that these shareholders could indicate an interest in purchasing more units. In addition, the underwriter could determine to sell fewer units to any of these shareholders than the shareholders indicate an interest in purchasing or not to sell any units to these shareholders. The foregoing discussion and tables do not reflect any potential purchases by these shareholders.

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

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

Overview

We are a development stage technology company that is seeking to revolutionize railway safety and the data-related market. We believe we have developed cutting edge, Artificial Intelligence, or AI, based, industry-leading technology specifically designed for railways, with investments from Knorr-Bremse, a world-class manufacturer of braking systems and a leading supplier of safety-critical sub-systems for rail and commercial vehicles. We have developed our railway detection and systems to save lives, increase efficiency, and dramatically reduce expenses for the railway operators. We believe that our technology will significantly increase railway safety around the world, while creating significant benefits and adding value to everyone who relies on the train ecosystem: from passengers using trains for transportation to companies that use railways to deliver goods and services. In addition, we believe that our technology has the potential to advance the revolutionary concept of autonomous trains into a practical reality.

The increasing electrification and automation of railways and trains are two key factors that are driving growth in the transportation market. Autonomous trains are integrated with advanced systems to provide improved control over the train for stopping, departing and movement between train stations – for example the operators are aiming to increase the density on a given track that's to say more trains per kilometer. From everyday passengers to train operators, there is a rising demand for safe, secure, and efficient transport systems. Additionally, various technological advancements, such as the integration of the Internet of Things, or IoT, and AI solutions into railway detection systems, are market categories expected to grow in the coming years. These technologies aid in improving the overall operational efficiency and maintaining freight operations and systems. According to Report Linker, the autonomous train technologies market was valued at USD $7.5 billion in 2020, and is expected to reach USD $10.2 billion by 2026, representing a CAGR of 5.61% for that period.

Since our founding in April 2016, we have developed unique auxiliary systems for railway safety, based on image processing technology that provide early warnings to train drivers of hazards on and around the railway track, including during severe weather and in all lighting conditions. Our unique system uses special high resolution cameras to identify objects up to 2,000 meters away, along with a computer unit that uses AI machine learning algorithms to analyze the images, identify objects on or near the tracks, and warn the train driver of the obstacle and potential danger. We were recognized as the winner of Deutche Banh's MINDBOX competition for our automated early warning systems to prevent railway accidents.

Our railway detection system includes different types of cameras, including optics, visible light spectrum cameras (video) and thermal cameras that transmit data to a ruggedized on-board computer which is designed to be suitable for the rough environment of a train's locomotive. Our railway detection and classification system includes an image-processing and machine-learning algorithm that processes the data for identifying potential hazards on and around the track. These algorithms are designed to identify and classify objects such as people, animals, vehicles, bridges, junctions, signs, signals along the track, and anomalies. Our railway detection system actively classifies objects by severity to determine if an alarm should be signaled to the train driver. These data collection and classification capabilities can be extended to further use-cases such as predictive maintenance and big-data analyses.

We believe that our technology is unique and demonstrates capabilities and results that are better than existing solutions. Most of the currently available safety solutions for the railway industry focus on stationary systems in dedicated hazardous locations, such as at level track crossings and passenger train stations, among others. At these dedicated locations, different technologies are used for detecting obstacles that are on the vicinity of level crossing tracks, and usually include different cameras and radars. The problem with this type of solution is that the train is only monitored at specific points in the railroad junction, leaving the vast majority of the railway unprotected. We can see that the world started to understand the limitations of this solution and therefore we attempt to integrate a collision avoidance system on trains. We believe that our long-range real-time AI and electro-optics technologies solve this problem, as well as providing solutions to most of the challenges train operators face during transit such as collisions, derailments and other accidents caused by obstacles on tracks or poor infrastructure.

Operating Expenses

Our current operating expenses consist of two components — research and development expenses, and general and administrative expenses. To date, we have not generated significant revenues.

Research and Development Expenses, net

Our research and development expenses consist primarily of salaries and related personnel expenses (including share-based payment), subcontractor's expenses and other related research and development expenses.

The following table discloses the breakdown of research and development expenses:

(in thousands of USD)	Year ended December 31, 2019	Year ended December 31, 2020	June 30, 2020	June 30, 2021
Depreciation	166	123	61	51
Share-based payment	690	1,119	470	467
Payroll and related expenses	4,953	5,065	2,443	3,011
Subcontracted work and consulting	194	82	55	25
Equipment	635	390	300	50
Rent and office maintenance	377	359	175	197
Other	141	67	96	37
Total	7,156	7,205	3,600	3,838

We expect that our research and development expenses will materially increase as we continue to develop our products and recruit additional research and development employees.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and related expenses, professional service fees for accounting, legal and bookkeeping, facilities, travel expenses and other general and administrative expenses.

The following table discloses the breakdown of general and administrative expenses:

(in thousands of USD)	Year ended December 31, 2019	Year ended December 31, 2020	June 30, 2020	June 30, 2021
Payroll and related expenses	1,219	1,563	591	697
Share-based payment	667	1,162	518	544
Professional services	736	555	260	350
Travel expenses	112	26	22	3
Rent and office maintenance	126	120	58	66
Depreciation and other	30	74	56	67
Total	2,890	3,500	1,505	1,727

Comparison of the Six Months Ended June 30, 2021 to the Six Months Ended June 30, 2020

Results of Operations

(in thousands of USD)	June 30,	
	2020	**2021**
Revenues		417
Cost of sales		(113)
Gross profit		304
Research and development expenses	(3,600)	(3,838)
General and administrative expenses	(1,505)	(1,727)
Operating loss	(5,105)	(5,261)
Financial (expenses) income, net	40	133
Total Loss	(5,065)	(5,128)

Revenues

During the six months ended June 30, 2021, we recognized revenues in respect of the sale of a prototype and additional services for an operational field test, in the total amount of approximately $417,000. No revenues have been recorded in previous periods.

Research and Development Expenses

Our research and development expenses for the six months ended June 30, 2021 amounted to $3,838,000 representing an increase of $238,000, or 6.6%, compared to $3,600,000 for the six months ended June 30, 2020. The increase was primarily attributable to an increase of $568,000 in salaries and related personnel expenses reflecting an increase in the number of employees and payments to subcontractors. In response to the COVID-19 pandemic, from March to August 2020 we temporarily reduced salaries of our employees in response to the COVID-19 pandemic and we reduced headcount and sent certain employees on unpaid leave.

General and administrative expenses

Our general and administrative expenses totaled $1,727,000 for the six months ended June 30, 2021, an increase of $222,000 or 14.8%, compared to $1,505,000 for the six months ended June 30, 2020. The increase was primarily attributable to an increase of $106,000 in payroll, reflecting an increase in the number of employees (mainly due to our response to the COVID-19 pandemic described above) and an increase of $90,000 in professional services mainly for accounting and legal expenses.

Operating loss

As a result of the foregoing, our operating loss for the six months ended June 30, 2021 was $5,261,000 compared to an operating loss of $5,105,000 for the six months ended June 30, 2020, an increase of $156,000 or 3.1%.

Financial expense and income

Financial expense and income consist of bank fees and other transactional costs and exchange rate differences.

We recognized net financial income of $133,000 for the six months ended June 30, 2021, compared to net financial income of $40,000 for the six months ended June 30, 2020. The increase was primarily attributable to exchange rate differences.

Total Comprehensive Loss

As a result of the foregoing, our total comprehensive loss for the six months ended June 30, 2021 was $5,128,000 compared to $5,065,000 for the six months ended June 30, 2020.

Comparison of the Year Ended December 31, 2020 to the Year Ended December 31, 2019

Results of Operations

(in thousands of USD)	December 31, 2019	December 31, 2020
Research and development expenses	7,156	7,205
General and administrative expenses	2,890	3,500
Operating loss	10,046	10,705
Financial expenses (income), net	(14)	2
Total Loss	10,032	10,707

Research and Development Expenses

Our research and development expenses for the year ended December 31, 2020 amounted to $7,205,000 representing an increase of $49,000, or 0.7%, compared to $7,156,000 for the year ended December 31, 2019. The increase was primarily attributable to an increase of $429,000 in share-based payments related to new grants and vesting periods offset by a decrease of $245,000 in research and development equipment purchases related to cost-cutting measures in 2020 in response to the COVID-19 pandemic.

General and administrative expenses

Our general and administrative expenses totaled $3,500,000 for the year ended December 31, 2020, an increase of $610,000 or 21.1%, compared to $2,890,000 for the year ended December 31, 2019. The increase was primarily attributable to an increase of $495,000 in share-based payments related to new grants and vesting periods and an increase of $344,000 in payroll, reflecting an increase in the number of management employees offset by a decrease of $181,000 in professional services for accounting, legal, bookkeeping, transfer agents and facilities expenses.

Operating loss

As a result of the foregoing, our operating loss for the year ended December 31, 2020 was $10,705,000 compared to an operating loss of $10,046,000 for the year ended December 31, 2019, an increase of $659,000 or 6.6%.

Financial expense and income

Financial expense and income consist of bank fees and other transactional costs and exchange rate differences.

We recognized net financial income of $2,000 for the year ended December 31, 2020, compared to net financial expenses of $14,000 for the year ended December 31, 2019. The increase was primarily attributable to exchange rate differences.

Total Comprehensive Loss

As a result of the foregoing, our total comprehensive loss for the year ended December 31, 2020 was $10,707,000 compared to $10,032,000 for the year ended December 31, 2019, an increase of $675,000 or 6.7%.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date(s) of the financial statements and the reported amounts of revenues and expenses during the reporting period(s). These estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. The Company regularly evaluates estimates and assumptions. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgements about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources

Critical accounting estimates are estimates for which (a) the nature of the estimate is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change and (b) the impact of the estimate on financial condition or operating performance is material.

The Company's critical accounting estimate affecting the financial statements is stock-based compensation:

Stock-based compensation

From time to time the Company grant options to management, directors, employees and consultants. The Company recognizes compensation expense at fair value. Under this method, the fair value of each option is estimated on the date of the grant and amortized over the vesting period, with the resulting amortization credited to paid in capital. The fair value of each grant is determined using the Black-Scholes option-pricing model which includes estimates of the dividend yield, expected volatility, risk-free interest rate and the expected life in years. Any changes in these estimates may have a significant impact on the amounts reported. Consideration paid upon exercise of stock options is recorded in equity as share capital.

Liquidity and Capital Resources

Overview

Since our inception through June 30, 2021, we have funded our operations principally with approximately $41 million (net of issuance expenses) from the issuance of ordinary shares, Preferred Shares, and warrants. As of December 31, 2020, we had approximately $6,749,000 in cash and cash equivalents. As of June 30, 2021, we had approximately $6,887,000 in cash and cash equivalents.

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

(in thousands of USD)	December 31, 2019	December 31, 2020	June 30, 2020	June 30, 2021
Operating activities	$ (8,204)	$ (7,200)	(4,067)	(4,955)
Investing activities	$ (152)	$ (122)	(86)	(37)
Financing activities	$ 13,413	$ 4,965	-	5,127
Net increase (increase) in cash and cash equivalents	$ 5,057	$ (2,357)	(4,153)	135

Operating Activities

Net cash used in operating activities of $4,955,000 during the six months ended June 30, 2021 was primarily used for payment of an aggregate of approximately $3,733,000 in subcontractors and salaries and related personnel expenses. The remaining amount of approximately $1,222,000 was used for professional services, travel, rent and other miscellaneous expenses.

Net cash used in operating activities of $4,067,000 during the six months ended June 30, 2020 was primarily used for payment of an aggregate of approximately $3,089,000 in subcontractors and salaries and related personnel expenses. The remaining amount of $978,000 was used for professional services, travel, rent and other miscellaneous expenses.

Net cash used in operating activities of $7,200,000 during the year ended December 31, 2020 was primarily used for payment of an aggregate of approximately $6,710,000 in salaries and related personnel expenses. The remaining amount of approximately $490,000 was used for professional services, travel, rent and other miscellaneous expenses.

Net cash used in operating activities of $8,204,000 during the year ended December 31, 2019 was primarily used for payment of an aggregate of approximately $6,366,000 in subcontractors and salaries and related personnel expenses. The remaining amount of $1,838,000 was used for professional services, travel, rent and other miscellaneous expenses.

Investing Activities

Net cash used in investing activities of $37,000 during the six months ended June 30, 2021, and $86,000 during six months ended June 30, 2020, primarily reflected the purchase of fixed assets in both periods.

Net cash used in investing activities of $152,000 during 2020 and $122,000 during 2019, primarily reflected the purchase of fixed assets in both periods.

Financing Activities

Net cash provided by financing activities during the six months ended June 30, 2021 consisted of $5,127,000 of net proceeds from our issuance of Preferred A Shares and exercise of options to purchase ordinary shares. No cash provided/used by financing activities during the six months ended June 30, 2020.

Net cash provided by financing activities in the year ended December 31, 2020 consisted of $4,965,000 of net proceeds from our issuance of Preferred A Shares. Net cash provided by financing activities in the year ended December 31, 2019 consisted of $13,413,000 of net proceeds from our issuance of ordinary shares and warrants and exercise of warrants.

On March 19, 2019, we and Knorr-Bremse entered into an agreement whereby Knorr-Bremse invested $9,941,000 (after deducting closing costs and fees) in us in consideration of an issuance of an aggregate number of 40,984 ordinary shares of the Company reflecting a price per share of $244.00 and 14,903 warrants.

According to the agreement, the consideration for the investment was transferred to us in two installments, the first was made upon closing and the second six months therefrom, on September 2019.

During March 2019, warrants to purchase 1,861 of our ordinary shares were exercised for an aggregate of $470,000.

During April 2019, warrants to purchase 6,898 of our ordinary shares were exercised for an aggregate of $1,711,000.

During May 2019, warrants to purchase 5,332 of our ordinary shares were exercised for an aggregate of $1,411,000.

On October 13, 2020, we and Knorr-Bremse Systeme für Schienenfahrzeuge GmbH, or Knorr-Bremse, entered into an investment agreement under which we issued 51,282 Preferred A shares to Knorr-Bremse, in consideration of a total investment of $10,000,000. The investment amount was transferred to us in two equal installments, the first installment upon closing and the second installment on April 13, 2021.

In addition, pursuant to the terms of the agreement, we were granted a call option for an additional amount of $5,000,000 at the same price per share and in exchange for the same class of shares. According to an amendment signed by and among the parties the exercise period of the option was extended and shall be in full force and effect until March 31, 2022. On February 14, 2022, we and Knorr-Bremse signed a second amendment to the investment agreement according to which from February 14, 2022 we are entitled to exercise the option in two installments as follows: (i) to call for up to $2,000,000 out of the option amount no later than March 31, 2022; and (ii) to call for up to $2,286,000 out of the option amount no later than June 30, 2022. The aforesaid option shall expire on the closing of our initial public offering if such shall occur prior to June 30, 2022. On March 6, 2022, we issued to Knorr-Bremse, a total of 10,256 Preferred A shares at a price of $195 per share, after we called an amount of $2,000,000 out of the option amount.

Current Outlook

We have financed our operations to date primarily through proceeds from sales of our Ordinary and Preferred Shares. We have incurred losses and generated negative cash flows from operations since inception in April 2016. Since inception, we have not generated any significant revenues from the sale of products and we do not expect to generate significant revenues from the sale of our products in the near future.

As of June 30, 2021, our cash and cash equivalents were $6,887,000. In January 2022, we received $1,000,000 pursuant to a SAFE entered into with existing shareholders and in March 6 2022, we issued to Knorr-Bremse, a total of 10,256 Preferred A shares at a price of $195 per share, after we called an amount of $2,000,000 out of the option amount. See "Related Party Transactions". We expect that our existing cash and cash equivalents will be sufficient to fund our current operations until May 2022 without using the net proceeds from this offering and/or the net proceeds from exercise of existing options. We expect that we will require substantial additional capital to complete the development of additional features of our system according to customers' requirements, including algorithm optimization, cognitive layer development, system minimization and optical development, as well as to commercialize our products. In addition, our operating plans may change as a result of many factors that may currently be unknown to us, and we may need to seek additional funds sooner than planned. Our future capital requirements will depend on many factors, including:

- the progress and costs of our research and development activities;
- the costs of manufacturing our products;
- the costs of filing, prosecuting, enforcing and defending patent claims and other intellectual property rights;
- the potential costs of contracting with third parties to provide marketing and distribution services for us or for building such capacities internally; and
- the magnitude of our general and administrative expenses.

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

Contractual Obligations

The following table summarizes our contractual obligations at June 30, 2021:

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(in thousands of U.S. dollars)				
Operating leases	$ 1,771	$ 347	$ 677	688	59

Quantitative and Qualitative Disclosures about Market Risk

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

Foreign Exchange Risk

Our results of operations and cash flow are subject to fluctuations due to changes in U.S. dollar/NIS currency exchange rates. A certain portion of our cash and cash equivalents is held in U.S. dollars, and the vast majority of our expenses is denominated in NIS. Changes of 5% and 10% in the U.S. dollar/NIS exchange rate would increase/decrease our operating expenses for the six months ended June 30, 2021 by approximately 4.3% and 8.5%, respectively. However, these historical figures may not be indicative of future exposure, as we expect that the percentage of our NIS denominated expenses will decrease in the near future as our operations expand globally, therefore reducing our exposure to exchange rate fluctuations. Currently, we do not hedge our foreign currency exchange risk. In the future, we may enter into formal currency hedging transactions to decrease the risk of financial exposure from fluctuations in the exchange rates of our principal operating currencies. These measures, however, may not adequately protect us from the material adverse effects of such fluctuations.

BUSINESS

Overview

We are a development stage technology company that is seeking to revolutionize railway safety and the data-related market. We believe we have developed cutting edge, AI based, industry-leading detection technology specifically designed for railways, with investments from Knorr-Bremse, a world-class rail system manufacturer. We have developed our railway detection and systems to save lives, increase efficiency, and dramatically reduce expenses for the railway operator. Our railway detection system is currently in the pilot phase with several industry leading railway operators as we seek to move to the next stage of receiving commercial orders. We believe that our technology will significantly increase railway safety around the world, while creating significant benefits and adding value to everyone who relies on the train ecosystem: from passengers using trains for transportation to companies that use railways to deliver goods and services. In addition, we believe that our technology has the potential to advance the revolutionary concept of autonomous trains into a practical reality.

The increasing electrification and automation of railways and trains are two key factors that are driving growth in the transportation market. Autonomous trains are integrated with advanced systems to provide improved control over the train for stopping, departing and movement between train stations – for example the operators are aiming to increase the density on a given track that's to say more trains per kilometer. From everyday passengers to train operators, there is a rising demand for safe, secure, and efficient transport systems. Additionally, various technological advancements, such as the integration of the Internet of Things, or IoT, and artificial intelligence, or AI, solutions into railway detection systems, are market categories expected to grow in the coming years. These technologies aid in improving the overall operational efficiency and maintaining freight operations and systems. According to Report Linker, the autonomous train technologies market was valued at USD $7.5 billion in 2020, and is expected to reach USD $10.2 billion by 2026, representing a CAGR of 5.61% for that period.

Since our founding in April 2016, we have developed unique railway detection systems for railway safety, based on image processing technology that provide early warnings to train driver of hazards on and around the railway track, including during severe weather and in all lighting conditions. Our unique system uses special high resolution cameras to identify objects up to 2,000 meters away, along with a computer unit that uses AI machine learning algorithms to analyze the images, identify objects on or near the tracks, and warn the train driver of the obstacle and potential danger. We were recognized as the winner of Deutche Banh's MINDBOX competition for our automated early warning systems to prevent railway accidents.

Our railway detection system includes different types of cameras, including optics, visible light spectrum cameras (video) and thermal cameras that transmit data to a ruggedized on-board computer which is designed to be suitable for the rough environment of a train's locomotive. Our railway detection and classification system includes an image-processing and machine-learning algorithm that processes the data for identifying potential hazards on and around the track. These algorithms are designed to identify and classify objects such as people, animals, vehicles, bridges, junctions, signs, signals along the track, and anomalies. Our railway detection system actively classifies objects by severity to determine if an alarm should be signaled to the train driver. These data collection and classification capabilities can be extended to further use-cases such as predictive maintenance and big-data analyses.

We believe that our technology demonstrates capabilities and results that are better than existing solutions. Most of the currently available safety solutions for the railway industry focus on stationary systems in dedicated hazardous locations, such as at level track crossings and passenger train stations, among others. At these dedicated locations, different technologies are used for detecting obstacles that are on the vicinity of level crossing tracks, and usually include different cameras and radars. The problem with this type of solution is that the train is only monitored at specific points in the railroad junction, leaving the vast majority of the railway unprotected. In recognition of the limitations of existing solutions, we integrate a collision avoidance system using long-range real-time AI and electro-optics technologies on trains that is designed to address this unmet need. as well as providing solutions to most of the challenges train operators face during transit such as collisions, derailments and other accidents caused by obstacles on tracks, or poor infrastructure.

Industry Overview and Market Opportunity

The railway is an essential form of transportation. Efficient and safe railway infrastructure plays a central role in the global economy. The process of expanding and upgrading railways is taking place worldwide, driving the importance to produce safe and reliable railway infrastructure. A lack of safety and inefficiency may reduce the reliability of train travel, decrease public usage and cause economic damage, including heavier road traffic, more air pollution, and diminish to the quality of life in general.

Railway accidents are generally attributed to several factors, such as the human factor, which include the driver's failure to notice and respond to obstacles on the track, the driver's ability to react to potential dangers, and the driver's field of view, which is made worse in poor lighting or severe weather conditions. Other factors that cause railway accidents include faults in the railway track signaling system, damaged infrastructure, and weather conditions such as rain, fog and snow.

According to a March 2021 "Safety Overview 2021" report of the European Union Agency for Railways there were 1,552 significant accidents resulting in 824 fatalities and 618 serious injuries in 2019 in the EU representing an economic costs of about €3.5 billion per year. According to the U.S. Department of Transportation, in 2020, in the U.S. there were 8,107 train accidents and 698 fatalities (including derailments, collisions and level railway track crossing incidents).

Due to the braking distance required for a train to stop, train operators require advanced notice to stop a train in time and avoid an obstacle on the track. The braking distance of a passenger train traveling at a moderate speed (i.e., 87 mi/h) is between 600 and 800 meters; freight trains typically require a similar distance to safely brake – depending on the load size and speed of the train. Human operators, however, do not have the capacity to detect obstructions on the railway track, and halt a train within these braking distances. Our advanced technology is designed to address this human deficiency.

Our railway detection system monitors the short and long-distance region of interest in front of the train, at an operational range of up to 2,000 meters (1.2 miles), which is longer than the braking distance of most trains. Our system is designed to detect, classify and alert train operators on real-time railway track obstacles, which allows the train operator to make educated decisions in how to best operate the train, and to decide whether it is necessary to stop to avoid a collision. Additionally, after being integrated into the train's computer, our railway detection system's artificial intelligence capabilities will facilitate by taking emergency autonomous actions, such as halting the train's acceleration, braking once an obstacle is classified, sounding a horn and flashing lights to alert others.

Over the past several years, there has been an increased demand for automated solutions in railway detection systems to make train travel safer and more efficient. There are several technological systems available in the market today that have been designed to reduce the risk of railway accidents, to avoid injuries and damage to property, to limit unplanned closures of railway tracks, to make railway transport more efficient, and to increase the usage of existing railway infrastructure. Generally, such railway detection systems fall into two main categories – those which are installed on the train (such as our railway detection system), and those that are fixed signaling systems installed as part of the stationary infrastructure.

We believe that the market potential for our railway detection systems that are installed on the train is large and ever growing, as every single railway train or drivers' cabin worldwide is a potential customer. Based on our own internal research, we estimate there are approximately 300,000 potential customers, and if considering two (2) systems per loco for each direction the potential can go significantly higher.

According to 2018 estimates of SCI, the global market for railway technology is estimated at approximately $200 billion with a steady growth curve of 2.8% per year. According to currently displayed statistics on the U.S. Department of Transportation's website, the freight train industry in the United States is estimated at approximately $80 billion, as determined by the by the seven Class 1 railroads operating in the United States. Additionally, according to the U.S. Department of Transportation it is estimated that $25 billion is spent annually on maintaining and adding capacity to freight railroads. Also, according to McKinsey & Company, in 2016, the cost of infrastructure maintenance and renewal exceeds €25 billion per year across Europe, and is rising. Moreover, according to a September 2021 publication by Global Market Insights, the railway aftermarket size was expected to exceed $78 billion in 2020 and is anticipated to grow at approximately $3.5 billion per year, a CAGR of over 4.6% from 2021 to 2027.

Railway tracks are a controlled environment, usually owned by one entity in the country where they are located. An obstacle that causes an accident on a train carrying hundreds of passengers or hauling thousands of tons of cargo might be a significant cost in the event of an accident due to injuries and damaged property. In addition, the section of track that is damaged or occupied with the stuck train, which is in any event restricted infrastructure, has to be closed until the investigation is completed, debris is collected and the infrastructure is checked for safety before train travel on the railway tracks can continue. This affects the timetable of many other trains, which causes an increase in downtime and the associated financial loss of such downtime. In addition, the reputation of the train operator is damaged, and as a consequence, the train operator may experience a decrease in business.

The Current Train Vision Market Status and the Transition to Autonomous Train Vision

Many trains are equipped with certain advanced automated technologies to assist railway operators such as Automatic Train Control, or ATC, and Automatic Train Protection, or ATP. ATC is a general group of systems that include mechanisms for controlling a train's speed in response to receiving external data. ATP is a system that, among other things, continuously verifies that the train's speed complies with the permitted speed.

In addition to ATC and ATP systems, there are currently other available technologies for Automatic Train Operation, or ATO, which include components to promote safety and control all stages of operating the train, from acceleration to precision stopping. While there are various levels of implementation of ATO, the most common use of ATO is on underground railways. For example, the London Underground uses semi-automatic train operation on certain lines. The Light Railway in eastern London is even more advanced, and the driver's cabin has been replaced by a controller.

ATO covers five Grades of Automation (GoA):

- GoA 0 refers to a train with a human driver who exercises full control of the train – starting, stopping, opening and closing doors, and operation in emergencies.

- GoA 1 refers to operation where the driver controls starting and stopping the train, operation of doors, emergencies and sudden deviations, with the assistance of ATP systems.

- GoA 2 refers to semi-automatic operation, where stopping is automatic, but the driver starts the train, operates the doors, and drives the train in emergencies.

- GoA 3 refers to operation without a driver, where starting and stopping is automatic, but the controller operates the doors and drives the train in emergencies.

- GoA 4 refers to train operation without supervision; starting, stopping, door operation and operation in emergencies is all automatic with no staff on the train.

We believe that railway companies will gradually implement autonomous trains. While a full transition to autonomous trains will require the development of additional technologies beyond those currently available, we believe that our obstacle detection technology has the potential to advance GoA 3 and GoA 4.

As part of the autonomous train vision being promoted worldwide, an automatic detection system will be required to enable train operators to detect obstacles in the train's travel route beyond the braking distance of a train. An automatic detection system has about twice the human detection capabilities during the day, and much more at night. As part of our efforts to advance operating levels of GoA 3 and GoA 4, we are investing efforts in collaborations with train operators and train manufacturers to examine the integration of our railway detection systems within various trains. We focus on detection systems, whereby the additional auxiliary systems required for an autonomous train (ATC and ATP systems) will be provided by other manufacturers. Our railway detection system is a standalone product that does not require any supportive additional equipment. The interface with an ATO concept of operation can be done at a later time, since our railway detection system, once engaged, can be used regardless of the integration with other autonomous technologies.

GoA 4 freight trains already operate in certain parts of the world (such as Rio Tinto Australia, and Iron Ore Canada)[1]. We believe that our railway detection systems are ideal for these trains, and part of our strategy is to engage and collaborate with the operators of these trains. To that end, we have signed a contract to supply demonstrations over several months of testing with the Autonomous GoA4 rail operator Rio Tinto Iron Ore, as described below.

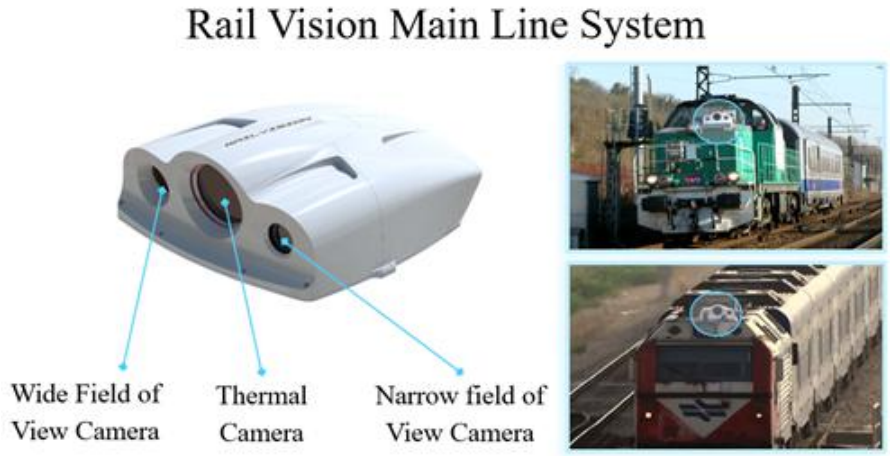
Beyond GoA 4 freight trains, there are some very specific environments where trains are operated without drivers and rely on signaling systems and a sterile testing environment, such as train lines in airports or underground train lines. Such autonomous lines are rare and can only be implemented if the conditions are precise. These types of trains require a safety infrastructure that is separate from the railway track in the external environment. This infrastructure is expensive to build and maintain, and therefore is not a viable option for most operators. While these types of trains are rare and not our main strategic focus, we do believe that our system will be ideal for these trains as well, as they require a solution that is installed on the train and capable of timely identifying potential hazards on and around the track.

Our Solutions

We develop solutions for a number of verticals in the railway market:

1. The RV2000 system for Main Line passenger and freight trains

The RV2000 Main Line System is an application of our railway detection system that includes an external sensor unit installed on the train along with an on-board computer system (see below). The on-board computer system receives data from the external sensor unit and uses artificial intelligence to perform algorithmic calculations in real time to identify potential hazards for the train operator.



Our railway detection system is designed to discover and warn the train operator about hazards of up to 2,000 meters (1.2 miles) ahead of the train. To detect hazards up to this distance, our railway detection system is dependent on a continuous line of sight that is not obscured by buildings, curves in the track, or dense fog which can limit the detection range.

The braking distance of a train traveling at high speeds of about 160 KPH / 100 MPH is approximately 800 meters (0.5 miles). The RV2000 railway detection system has been optimized to identify hazards at a distance more than 800 meters (0.5 miles) to provide the train operator with enough time to react to the hazard, and stop the train if necessary. The braking distance of the train may differ as a result of various factors, including weather conditions and the total weight of the train.

Our railway detection system can technically interface with the train's control and monitoring systems, such as the brake system. This interface is achieved by setting up a communication interface between our railway detection system and the train's existing operating system. However, interfacing with the brake system or other systems of a train will require compliance with a more stringent level of train safety (SIL) than the current safety levels we are certified for, as of the date of this prospectus.

Our railway detection system is designed to classify objects, detect their location on the track, and detect the position of the switch. The switch is a device that is part of the railway track and is used to switch between two adjacent tracks or merge two tracks into one track. It is important to detect the position of the switch because the switch selects the train's continued direction from the main track line on which the train is currently riding to another rail.

An advanced prototype of the RV2000 system is expected to be complete its development stage during the first quarter of 2022.

On August 12, 2021, we signed a non-binding memorandum of understanding with Israel Railways Ltd. The memorandum of understanding states that Israel Railways will conduct a Long-Term Pilot (LTP) of the RV2000 system on its freight trains. Israel Railways will consider placing a purchase order for 6 to 10 units of our RV2000 system, so long as we are successful in meeting the pre-defined criteria and regulation approvals that Israel Railways require. The RV2000 system LTP began on December 7, 2021 (see image below). The potential sales opportunity with Israel Railways for our RV2000 system to be installed on up to 200 trains and assuming we can negotiate bidirectional installation, the potential sale opportunity could be doubled to install up to 400 RV2000 systems on up to 200 trains. The memorandum of understanding was extended on November 10, 2021 and on February 6, 2022 and expires on May 31, 2022, if not further extended.

Rio Tinto Iron Ore, or RTIO, the world's second-largest metals and mining corporation has engaged us to work on part of its AutoHaul autonomous train to improve train safety. RTIO has 60 operations in 35 countries, has 47,500 employees and 2,000 customers. The RTIO fleet is autonomous, and does not have the technical capability to foresee any obstacles or anomalies in front of the moving train. As such, RTIO is exploring solutions that can detect, alert and respond to an obstacle on the tracks. In April 2021, we entered into an equipment, personnel and services supply agreement with Hitachi Rail STS Australia Pty Ltd., or STS, which enables STS, as the principal supplier, to supply Rio Tinto Railway Network with our RV2000 system for demonstrations and to examine the RV2000's operational performance. If the tests are successful, Rail Vision has the potential to install its RV2000 system on Rio Tinto Railway Network's fleet of about 220 trains, with the RV2000 system integrated by STS as the project integrator.

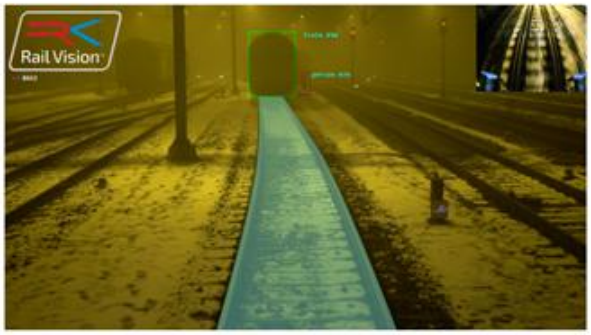
2. The RV200 system for the Shunting Yard

The RV200 system used at the shunting yard is meant to streamline work in the operational areas of railways (shunting yards) which are used for the assembly, loading and unloading of freight trains.

The shunting yard application of the railway detection system consists of two external sensor units installed on either side of the locomotive that are linked to the central processing unit inside the train, and uses algorithms, artificial intelligence/deep learning neural nets, to classify these obstacles in real time, at a range of up to 200 meters on and beside the track, under severe weather and poor visibility conditions. These warnings are shown to the driver with some recommendations to stop or slow down. The system also has the technical ability to interface with the locomotive's control systems, such as the train's brakes. This is done by setting up a communication interface with existing systems in the train and doing so in accordance with the customer's requirements. However, interfacing with the brakes or other systems in the locomotive requires compliance with a stricter Safety Integrity Level (SIL) than the levels for which we have currently have obtained certification (SIL 0). Rail Vision has completed a homologation process of a drive assist system on trains in a use-case of Switch Yard (SIL-0 according to EN50126).

In October 2020, we supplied a prototype of the RV200 system to Schweizerische Bundes Bahnen Cargo, or SBBC, for functional testing, which began in April 2021, to test the system for compliance and the system's ability to better integrate during actual work for a potential customer (Open Field Test – OFT). For additional information, see "Business and Marketing Strategy" – "Locomotives for shunting yards," below.

Shunting Yard System – Train & Human Detection



Shunting Yard System – Switch Status

3. The Light Rail Vehicle (LRV RV100) system for light rail and subways

Many cities utilize light railways and underground railways as part of the city's public transportation system. Light railways in cities also intersect with travel environments used by vehicles and pedestrians alike. This hybrid use of a road by cars, trains and people, causes a greater risk of traffic safety incidents.

Our LRV RV100 system helps to increase travel safety with the use of advanced technologies that provide real-time warnings of obstacles on the track by utilizing sensors and cameras with a broad field of vision. Since this is a passive detection and classification system (detection through information receiving cameras, without transmission or radiation), as distinct from active systems (detection by receiving back signals transmitted by the system) based on radar (an electronic system for detection of and tracking location of objects in the space using electromagnetic radio waves) or LIDAR (distance measuring technology by lighting the target with a laser beam), the LRV RV100 system does not create radiation hazards and does not interfere with the operation of other systems.[2]

Using a passive railway detection system allows for safer use in populated areas as there is no transmission of electromagnetic radiation, which could endanger passers-by. In addition, because the system does not transmit, the likelihood of false alarms is lower. Another advantage of a passive railway detection system is that it does not interfere with other systems operating in its vicinity and is not affected by other systems.

In addition, camera-based railway detection systems have a much better resolution and can detect and classify potential hazards with higher expected performance than the human eye. On the other hand, passive railway detection systems are subjected to light conditions and sensor performance, mainly in VIS wavelength range, which can affect the performance of camera-based railway detection systems.

These systems also allow for flexibility in algorithmic and software updates with relative ease due to the use of updatable components, unlike the current practice in the motor vehicle industry that are based on ASIC components that cannot be updated as easily. We have demonstrated a preliminary prototype of the LRV system and are currently reviewing our collaborations with our development partners. For more information, see details below under the “Light Rail Vehicle” and “Commercial Agreements—LRV System MOU” sections.

4. Maintenance, Predictive maintenance applications based on measurements and data collection

Another module to our railway detection systems, currently in the beginning stages of development, is a plan to enable the constant monitoring of railway infrastructures to warn of potential malfunctions or defects – such as damage to railway tracks, electrical problems in infrastructure components, unstable electrical pylons next to the tracks, and vegetation invading the track – which could result in interference with train traffic. The early detection of such problems could be the basis of long-term planning of maintenance work. These features of the railway detection system will also provide another means of helping railway companies manage maintenance efficiently, leading to savings in time, money and labor, and prevent unplanned down time. As of the date of this prospectus, we are still developing this infrastructure. We are in the process of working with a customer to build a railway detection system that will only focus on infrastructure inspection. This new module will be based on our sensors and algorithmic capabilities, utilizing cloud computing to handle data collections and measurements.

Business and Marketing Strategy

Our vision is to become a global leading developer and supplier of innovative railway detection technologies to the railway industry. We believe that our advanced technologies will enable safer train driving, reduce train accidents, increase the flow of traffic, and save money for our customers. We also believe that the transition to autonomous train driving will not occur without an advanced detection system such as ours.

We focus on the following three main segments of the market as described above:

Locomotives for shunting yards – We have focused on selling the RV200 system to shunting yard operators. Our railway detection system for this market segment is at a relatively advanced stage, as we have a prototype of the RV200 system that is being tested by SBBC, a freight train company in Switzerland. Upon successful completion of the railway detection system tests at SBBC, we expect that this prototype will lead to an order from SBBC by the end of 2022, or the beginning of 2023. We have received a proof of concept to examine the Rail Vision system. As a result, we hope to achieve further sales in this market segment once the railway detection system successfully completes its operational test. Furthermore, we believe that SBBC’s reputation will assist us in the promotion and sales of our railway detection systems to other customers in this segment. If the transaction with SBBC evolves into an order, we expect SBBC to order several dozen of our railway detection systems.

Locomotives for passenger and freight trains – Our main area of activity is the RV2000 system, which is designed for passenger and freight trains. Our strategic focus on this market segment derives from the fact that it includes the largest number of trains, and that the trains operating in this market segment are exposed to serious risks and the realistic probability for potentially fatal accidents. We invest significant efforts in promoting sales to passenger and freight train operators. The sales processes for this market segment includes a demonstration of the system's capabilities according to specific requirements of each train operator. In addition, we are engaged in the process of licensing systems that are intended for this market segment on the assumption that obtaining a permit in one country may significantly facilitate the licensing process in another country. The development process of this railway detection system is ongoing and is expected to be completed during 2022. According to an agreement signed in April 2021, a prototype of a first system is expected to be supplied to an operator of freight trains in Australia in the Q1 of 2022 for a long-term pilot. We expect that given a successful conclusion of the pilot in Australia, as described above, we will sell dozens to several hundred railway detection systems in the next two years.

Light Rail Vehicle (LRV) – We are in the process of developing an LRV system that will be designed for the light rail market segment. We are exploring the possible collaboration with some car manufacturers. The development plan will be aligned to match the needs of the car manufacturer.

Our strategic focus is reflected in our marketing strategy:

- We plan on increasing our marketing and sales department to reach more potential customers. Increasing the number of sales and marketing personnel will enable us to initiate and create additional opportunities while the sales and marketing personnel focus on and specialize in the territories that our strategy defines as most relevant.

- We are focused on the following markets: North America, Europe and Asia Pacific. The reason for the focus on these markets stems from an analysis we conducted to identify the most relevant countries likely to adopt our railway detection systems. We have defined several parameters which may indicate commercial viability of the market relevant to our railway detection systems. The parameters examined by us included, among other things, the total length of the railway tracks in the country examined, the number of passengers per kilometer/ mile of track traveled, the number of tons of goods per kilometer/ mile of track transported, the total number of trains in the country, the level of innovation in the country, and the openness to integrate new technologies.

- We are investing in efforts to create and develop collaborations with leading train manufacturers. These collaborations are meant to be long-term, with the aim of integrating our railway detection systems into the future production lines of these train manufacturers. We believe that the railway detection systems we develop will be an integral part of future trains, and therefore it is important to invest marketing efforts as early as possible to promote partnerships with train manufacturers and increase market adoption of our railway detection systems.

- Leverage and develop our strategic partnership with Knorr-Bremse to serve as a non-exclusive distributor and be a local partner engaged in marketing, sales and the implementation of projects, including integration, installation and services regarding our products in the relevant markets in which Knorr-Bremse operates worldwide. As part of this marketing strategy, we will seek the assistance of Knorr-Bremse's marketing team. We intend to provide marketing and training materials to Knorr-Bremse's marketing staff to enable them to promote and sell our products to their existing customers.

- We intend to invest in advertising in traditional industry channels, social media networks and digital channels to better advertise and market our railway detection systems to potential customers in the railway industry.

- We strive to increase collaborations with other companies operating in the railway industry, such as communications companies that are engaged in constructing communications infrastructure or companies that manufacture complementary products for the railway industry. Collaboration with types of companies may provide added value to our customers, whether it be in the field of data communications where customers seek to transfer data in real time from the trains to the control centers, or through cooperation with companies that manufacture additional auxiliary systems, such as sign manufacturers, and manufacturers of automatic coupling systems (systems that enable automatic coupling between a locomotive and a carriage or between carriages for towing) where our systems will provide a complementary solution.

- Big data – Following the dissemination of our technology and products among many customers, we intend to offer our customers predictive maintenance services and digital mapping services based on the gathering of the visual information stored in its systems. We see big data services as one of its most important growth engines in the next 3-5 years.

New Products and Applications

We are currently exploring a number of additional railway detection system applications that are in various stages of research and development, as follows:

Maintenance and predictive maintenance: customers who have installed Rail Vision systems for real time identification of objects, will have the option of receiving predictive track maintenance services, such as identification of vegetation invading the tracks, damage to infrastructures, sunk pylons, etc. This railway detection system application will be able to collect the data from the sensors and check for any changes in and around the track infrastructure in order to indicate possible defects in the infrastructures. Currently, this application is at the initial R&D stage only, and in preliminary discussions with a potential customer that started in April 2021 for demonstration purposes, as stated above.

Mapping and updates – Geographic Information Systems (GIS): since trains travel the same route several times a day, the comparison of observed data received by our railway detection system can discover infrastructures such as posts, signaling systems, electronics boxes, and check their actual location using system measurements based on an image-based navigation (IBN) algorithm, and compare the data with existing records and provide updates. This saves both time and money, as the expense of remapping a railway track is rarely done, and usually forces stretches of track to be closed for such updates. This application of our railway detection system is at the proof of concept (POC) stage of initial research and development.

Big Data: this application of our system will be based on long-term collection of data from Company's sensors installed on trains to provide relevant data on infrastructure, train traffic and the surroundings. Analysis of the data will generate reports showing trends in driver behavior and the surrounding area and conditions, which will help train operators reduce downtime caused by infrastructure problems, and improve the synchronization of trains, as required by the customer.

Currently, this application is only at the start of the research and development stages and is also conditioned on the installation and operation of about one hundred railway detection systems in order to obtain sufficient data for its operation, assuming the successful completion of its development.

We intend to offer the Big Data applications as an added value to our system to be installed at the customer and not as a separate product.

Commercial Agreements

Knorr-Bremse

We have entered into a series of strategic and investment agreements with Knorr-Bremse or affiliates of Knorr-Bremse. Knorr-Bremse is a 110 year old multi-billion dollar market cap company traded on the Frankfurt Stock Exchange. With more than 29,000 employees at over 100 locations in more than 30 countries around the globe Knorr-Bremse is a world leader in braking & peripheral systems generating total of sales of EUR 6.2 billion in 2020. As one of our strategic investors, Knorr-Bremse has invested over $20 million in us.

KBCH Framework Agreement

In August 2020, we entered into a framework agreement, or the Framework Agreement, with KBCH (a subsidiary of Knorr-Bremse operating in Switzerland) regarding the supply of a prototype of our system to the shunting yard of a company operating cargo trains in Switzerland, or SBBC. Under the Framework Agreement, we provided KBCH one prototype of the system which was installed on an operating locomotive in an SBBC shunting yard, for the purpose of examining the operational performance of the system, or the Operational Function Test. In consideration for the prototype provided in October 2020 for the Operational Function Test, KBCH paid us approximately EUR 244,000 (approx. $293,000). In addition, in order to support the operational performance test procedure, which began in April 2021, we undertook to provide various professionals, as needed, in exchange for payment at the maximum rates and amounts determined in the Framework Agreement. In addition, the Framework Agreement determines a division between us and KBCH regarding additional support actions for SBBC, as needed, in the Operational Function Test process.

LRV System MOU

On September 17, 2020, we entered into a non-binding Memorandum of Understanding with Knorr-Bremse, or the MOU, regarding cooperation between the parties with respect to LRV systems. Under the MOU, we undertook to make further adjustments and/or development to the LRV system, if required by Knorr-Bremse and agreed by us. Knorr-Bremse undertook to indemnify us for any costs of such adjustments and developments, subject to prior approval by Knorr-Bremse. It was further agreed that in case, Knorr-Bremse purchases an LRV system it will be offered at a discount to compensate for the adaptation and development cost. In addition, it was agreed that the parties will negotiate a detailed cooperation agreement in good faith, in which they will determine, among other things, the terms of sale of the LRV systems by us to Knorr-Bremse.

The MOU will be in effect from the date of its signing until the earliest of: (a) the signing of a binding cooperation agreement between the parties which will replace the MOU; (b) a notice by one of the parties that it is interested in terminating the MOU and the negotiations between the parties on the cooperation agreement; or (c) 12 months from the date of signing the MOU. Accordingly, the MOU expired in September 2021. Following the signing of the MOU, in December 2020, Knorr-Bremse placed a purchase order to us for developing two prototypes of the LRV system according to specifications required by Knorr-Bremse. In return for the development of the two prototypes, Knorr-Bremse paid us a total of approximately EUR 397,000 (approximately $476,000). During July 2021, we delivered one of the LRV system prototypes to Knorr-Bremse and the second LRV system was delivered during January 2022.

Strategic Partnership Agreement

On August 19, 2021, we entered into a Strategic Partnership Agreement with Knorr-Bremse. Under the terms of the Strategic Partnership Agreement, we will collaborate with Knorr-Bremse with respect to joint projects, based on the following principles: (a)(i) the expansion of the Knorr-Bremse Railway Driver Assistance Systems to the field of environmental observation, or (ii) future collaboration in the areas of barrier identification and classification systems in the railway industry; and (b) as part of the framework, we will provide Knorr-Bremse the technology needed in order to fulfilling the customer's requirements.

The agreement further provides, among other things, that (i) in the event that a customer is presented to us by Knorr-Bremse, subject to the certain conditions, Knorr-Bremse will be entitled to serve as the main contractor for such project, (ii) for any joint project, the parties will mutually agree on the identity of the main contractor and (iii) we will instruct and train the local Knorr-Bremse missions to provide field support services for our systems.

The implementation of the terms of the agreement is subject to future approvals and agreements between the parties and third parties, including transactions that may be subject to the related party transaction rules under the Companies Act, and, as such, there is no certainty that such transactions will be executed, in whole or in part.

The term of the agreement will expire three years after the date of the agreement, or August 19, 2024.

Knorr-Bremse has been in the railway business for 110 years, as a world leader in braking and other system operations. Knorr-Bremse has a global presence with 29,700 employees at 100 sites in 30 countries and is trading on the Frankfurt Stock Exchange with sales totaling €6.2 billion in 2020.

Collaboration Agreement with Israel Railways

On August 3, 2016, we entered into a Cooperation Agreement with Israel Railways Ltd. (a governmental company fully owned by the State of Israel), which was further amended on January 19, 2020.

Under the terms of the agreement, we undertook to fulfill certain functions for the development, marketing, distribution and sale of the system, and Israel Railways undertook to provide us with services and the means to perform tests and experiments, mainly in logistics and manpower, and to provide us with information on certain data that will be given at the discretion of Israel Railways.

Pursuant to the agreement, we agreed to pay Israel Railways the following payments: (i) during the period from August 3, 2016 and until the earliest of (a) a period of 5 years from the date of our first commercial sale or (b) the date of an initial public offering or (c) a change of control (as defined in the agreement), Israel Railways will be entitled to a payment of royalties in the amount of 2.75% of our net sales, and (ii) during the period from August 3, 2016 until the earliest of: (a) the date of an initial public offering or (b) a change of control (as defined in the agreement) Israel Railways will be entitled to 1.5% of the total proceeds from an IPO or consideration, received by us or our shareholders, as a result of a change of control.

The agreement further provides that Israel Railways will be entitled to purchase our products and services at a price equal to half the lowest price charged by us for those products and services to an unrelated third party.

In addition, as part of the agreement and in consideration for services provided to us by Israel Railways, we granted Israel Railways warrants to purchase 195,448 of our shares with a nominal exercise price. The option was initially exercisable upon the earlier of an IPO or a change of control. On July 1, 2021, we amended the warrant to extend the exercise period, until the earlier of: (1) five business days following the day in which Israel Railways obtained the necessary Governmental Approvals (as defined below); or (2) one year from the date of amendment of the option agreement, or June 30, 2022.

On May 30, 2021, Israel Railways informed us that the board of directors of Israel Railways approved the exercise of the option. The approval by the board of directors of Israel Railways is subject to the certain governmental approvals in Israel, or the Governmental Approvals, by the Minister of Finance, the Minister of Transportation, the Budget Director in the Ministry of Finance and the Director of the Government Companies Authority. Currently, the decision of the board of directors of Israel Railways did not obtain the necessary Governmental Approvals.

The agreement may be terminated by either party by providing a 60 days prior written notice. In addition, Israel Railways may terminate the agreement with 30 days prior written notice in the event of a change of control in us.

Competition

We are still in the development stage and many of our competitors have extensive track records and relationships within the rail industry and/or the automotive industry. Many of our current and potential competitors have longer operating histories and more extensive name recognition than we have and may also have greater financial, marketing, manufacturing, distribution and other resources than we have. In particular, we operate in a market where most of our competitors are giant corporations such as Bosch Engineering GmbH, ALSTROM Holdings, Bombardier Transportation, Siemens Mobility GmbH, Toshiba Infrastructure Systems & Solutions Corporation and Mobileye Vision Technologies Ltd, with others such as 4Tel Pty Ltd and Cognitive Robotics LLC. Current and future competitors may be able to respond more quickly to new or emerging technologies and changes in customer demands and to devote greater resources to the development, promotion and sale of their products than we can.

Unlike some of the competitors that have used existing systems from the motor vehicle world and adjusted them to the railway environment, we develop our railway detection systems from the beginning to operate on trains. Additionally, in terms of the ability to identify hazards at far longer distances, our railway detection system functions can not only discover obstacles on the tracks but also identify these obstacles. We believe that our railway detection system's contribution to train safety will be greater than that of existing railway detection systems by our competitors. Thus, by our estimate, the railway detection systems offered by competitors for mainline trains have relatively limited capabilities compared to the capabilities of our RV2000 system. From our own analysis, we believe that our competitors offer a shorter range-detection distance and provide a lower detection probability of obstacles than the railway detection systems we have developed.

Some of our competitors offer a shorter range-detection distance and provide a lower detection probability of obstacles. Our systems consist of electro-optic sensors using artificial intelligence for automatic identification, classification of obstacles along the tracks at distances which, to the best of our knowledge, are longer than those of the competition. Our railway detection systems also have a greater degree of accuracy and higher probability to detect obstacles, which, to the best of our knowledge, results in fewer false alerts compared to competing products.

Apart from the expected contribution of our systems to increase the safety of train operations, our railway systems are also designed to help in predictive maintenance of railway infrastructure, due to the constant monitoring of the railway tracks by its sensors. As far as we know, this function does not exist in any competing systems.

To the best of our knowledge, several competing companies are developing systems to help drivers. Some derive from the world of trains, others from the wheeled vehicle industry. These companies adapt technologies from the vehicle industry for use with trains, for long distance identification of hazards, particularly in the LRV segment. These technologies are generally based on LIDAR technology and/or radar scans with cameras, and as far as we know, have not yet been shown to be suitable for the railway environment, in terms of discovery ranges and required performance. In addition, we don't expect our LRV system to be sold at a lower price than competitors' prices due to our use of more advanced components than our competitors.

We differentiate our systems by focusing on their unique ability to use AI algorithms in real time to provide alerts to the driver throughout the entire drive. In our estimation, the advantages of our technology over the competition are:

- Our railway detection system is based on passive technology that uses video images or thermal images, unlike other railway detection systems that are based on obstacle discovery using radar or lasers (which emit radiation along the railway track) in train stations, and already exist in the market for LRV and in level crossing – we do not know of any other system that reaches 2 kilometers classification.

- In several field trials, our railway detection systems have shown an ability to identify objects at distances of up to 2,000 meters. Discovering obstacles at a long range is essential for effectively discovering obstacles since there is a long braking distances required by trains to come to a complete stop from the time the obstacle is identified.

- Our railway detection systems, compared to LIDAR technology, are less sensitive to platform speed or rocking motions, higher resolution and are able to classify obstacles at longer distances compared to competing railway detection systems.

- Our detection systems are based on passive technology, and are therefore not exposed to interference due to hot spots and reflection overload. Other technologies such as radar are sensitive to the presence of metallic objects (such as screws, springs and other metallic objects etc.) which are often found on or near railway tracks.

We believe the following table gives representative details of various solutions currently available on the market in the field of identifying obstacles on railway tracks. The following information is based on our beliefs, has been provided to us from publications by the various competitors listed below and has not been independently verified by us.

Manufacturer	Product & Features	Competitive Analysis	Licensing	Compete Us in
BOSCH	Tram forward collision warning (TFCW), Based on a solution from the wheeled vehicle industry, on the market since 2017. Approved for use with LRV under a European standard.	**Advantages:** 1. According to public announcements, the system has been sold to customers in the market, unlike the Company's system that has not been sold so far. Bosch's past experience is an advantage. 2. To the best of the Company's knowledge, the Bosch system is sold at a competitive price compared to the Company's system. To the best of the Company's knowledge, the main reason for this is that the Bosch system does not include a thermal camera but only a day camera. 3. Bosch is a global company with high technological and financial capabilities compared to the Company. 4. The system also includes short-range radar. **Disadvantages:** 1. Bosch's system does not include a thermal camera like the system developed by the Company, which includes a thermal camera that allows visual identification even at night. 2. The Company is aware that the competing system has a high false alarm rate.	As the installation of such a system requires standardization, it can be assumed that Bosch has the standard required to install such a system in the cities where the system is installed. The company has not yet begun the licensing process for the LRV system.	LRV segment
COGNITIVE PILOT	Based on a combination of daylight camera + radar	**Advantages:** 1.The system incorporates a short-range radar camera; **Disadvantages:** 1.To the best of the Company's knowledge, the system is in development and has not yet been sold in serial production. No existing customers are known beyond demos. 2.The Company understands that the system operates at shorter ranges than the Company's system. 3.To the best of the Company's knowledge, the competitor's system does not include a thermal camera, unlike the Company's system, which has a thermal camera that enables visual identification even at night.		
SIEMENS	An integrated system with day camera, radar and LIDAR technology	**Advantages:** 1. The competitor is a train manufacturer and has high technological and financial capabilities; the competitor has easier direct access to potential customers than the Company has, due to being a significant manufacturer of LRV vehicles, as well as having the possibility of integrating the system into the vehicles it produces. 2. According to the competitor's publications, the system includes a camera, short-range radar and LIDAR. **Disadvantages:** 1. To the best of the Company's knowledge, the competitor's system does not include a thermal camera that allows good quality viewing in harsh lighting conditions.	The Company is not aware of a standardization process that this competitor has initiated. The Company has not yet begun the licensing process of the RV200 system.	LRV segment

Manufacturer	Product & Features	Competitive Analysis	Licensing	Compete Us in
BOMBARDIER In January 2021, Alstom completed the acquisition of Bombardier Transportation	ODAS Obstacle Detection Assistance System, Based on a combination of daylight camera + radar	**Advantages:** 1. According to public information, the system was sold to customers in the market, unlike the Company's system, which has not been sold so far. Bombardier's past experience in this field which was sold to Alstom, is an advantage (the system was first introduced in 2017). 2. The competitor is a train manufacturer, including light rail, active in the field and with high technological and financial capabilities. This competitor has easier direct access to potential customers than the Company due to being an LRV vehicle manufacturer as well as the possibility of integrating the system into the vehicles it manufactures. 3. The system also includes short-range radar. **Disadvantages:** 1. The Alstom's system does not include a thermal camera, unlike the system developed by the Company, which includes a thermal camera and enables visual identification even at night. 2. As the Company understands, Alstom's system operates at shorter detection ranges than the company's system.	According to reports, Bombardier expected the system to be approved for commercial use by mid-2020. https://www.railway-technology.com/news/bombardier-introduces-light-rail-vehicle-safety-system/ The Company does not know whether the competitor's system was approved as stated. The company has not yet begun the licensing process for the LRV system.	LRV segment
TOSHIBA	Based on a high resolution daylight camera with AI capabilities	**Advantages:** 1. To the best of the Company's knowledge, the detection ranges of Toshiba's system are similar to the detection ranges of the Company's system; 2. The competitor is a train manufacturer with high technological and financial capabilities; able to integrate the system as an integral product in its systems; **Disadvantages:** 1. To the best of the Company's knowledge, the system is still under development. 2. To the best of the Company's knowledge, the competing system does not include a thermal camera, unlike the Company's system, which has a thermal camera that enables visual identification even at night.	The Company is not aware of a standardization process that this competitor has initiated or which is undergoing. The Company estimates that the licensing process of the RV200 system will begin in Switzerland after the trials are completed by SBBC.	Shunting Yard segment
4Tel	The system is based on an array of day cameras with integrated AI.	**Advantages:** A local competitor in Australia in the RIO TINTO project. The competitor may have an advantage due to its being a local manufacturer in Australia. **Disadvantages:** To the best of the Company's knowledge, no demo has been shown to a customer for such a specific use.	The Company is not aware of a standardization process that this competitor has initiated. The Company has not yet begun the licensing process of the RV200 system.	Main Line segment

Our competitive approach is in developing a unique know-how, achieving an advantage and differentiating our railway detection system technology by incorporating advanced technological solutions. We believe that the railway detection system we are developing can provide an effective economic solution for our customers, which includes a return of the investment brought about by the railway detection system's contribution to the train's increased safety, the prevention of accidents and unplanned delays in train traffic, and improving the accuracy of railway operations, all of which can save railway operators extensive operating costs.

Another advantage of our railway detection system is the option, currently in development, to use the system as an aid to predictive maintenance of railway infrastructure due to the system's continuous monitoring of the railway tracks on which it travels.

Apart from that, we engage the competitive landscape by developing new products, and to the extent that such developments are successfully completed, these products will enable us to face the competition. To provide our customers with additional added value, we are developing maintenance, predictive maintenance, Big Data and GIS services, which may be added on top of our existing system components to make our railway detection system more attractive to the customer.

Because our railway detection system regularly monitors railway infrastructures and tracks, the system can record and store visual information. Huge amounts of data are built up (Big Data) which, subject to contractual and legal restrictions, could be available to customers for purposes such as identifying possible gaps and faults in tracks and other infrastructure, and updating maps. This capability is an added value to the existing system. To the best of our knowledge, Siemens Mobility GmbH and the 4Tel Pty Ltd company also use infrastructure monitoring capabilities that are based on artificial intelligence. We have no information about the veracity of this competitor's statement.

Government Regulation

As the autonomous train industry continues to develop, regulators, including the FRA and the ERA, may adapt existing regulations and create new ones in order to ensure the compatibility of autonomous trains and autonomous train technology with regulatory expectations, requirements relating to safety and legal liability. On March 29, 2018, for instance, the FRA issued a RFI regarding the "future of automation in the railroad industry," which is part of a broader effort by the U.S. Department of Transportation to advance the safe deployment of autonomous technologies. We cannot anticipate what regulations will materialize from the FRA's RFI, or from parallel inquiries underway in other countries in which we operate. Likewise, we cannot predict the limitations, restrictions and controls nor the economic consequences flowing from such regulations. Should restrictive regulations apply, they could delay the introduction of autonomous train technology, cause us to redesign aspects of our products, impose additional costs and adversely affect our results of operations. We cannot assure you that we have been or will be at all times in complete compliance with such laws, regulations and permits.

In addition, we are subject to a number of laws and regulations that involve matters central to our business. These laws and regulations involve privacy, data protection, intellectual property, competition, and other subjects. Many of the laws and regulations to which we are subject are still evolving and being tested in courts and could be interpreted in ways that could harm our business. In addition, the application and interpretation of these laws and regulations are often uncertain, particularly in the new and rapidly evolving industry in which we operate. Because global laws and regulations have continued to develop and evolve rapidly, it is possible that we may not be, or may not have been, compliant with each such applicable law or regulation.

Intellectual Property

We seek patent protection as well as other effective intellectual property rights for our products and technologies in the United States and internationally. Our policy is to pursue, maintain and defend intellectual property rights developed internally and to protect the technology, inventions and improvements that are commercially important to the development of our business.

We have five (5) registered patents and eleven (11) pending patent applications. Failure to gain approval for the patent applications filed by us or a change in the patents granted to us, in whole or in part, and the promotion and creation of alternative technologies to ours technology, may adversely affect our status and ability to sell the system developed by it.

A provisional patent application is a preliminary application that establishes a priority date for the patenting process for the invention concerned and provide certain provisional patent rights. We cannot be certain that patents will be granted with respect to any of our pending patent applications or with respect to any patent applications filed by us in the future, nor can we be sure that any of our existing patents or any patents granted to us in the future will be commercially useful in protecting our technology. Despite our efforts to protect our intellectual property, any of our intellectual property and proprietary rights could be challenged, invalidated, circumvented, infringed or misappropriated, or such intellectual property and proprietary rights may not be sufficient to permit us to take advantage of current market trends or otherwise to provide competitive advantages. For more information, please see "Risks Related to our Intellectual Property."

In addition, we may be exposed to claims and/or suits regarding the use of proprietary rights of third parties who received approval for the registration of a patent in respect of an application which had already been filed when we made use of such rights.

Property and Facilities

Our corporate headquarters, which includes our offices and research and development facility, is located at 15 Ha'Tidhar St., Ra'anana 4366517, Israel, where we currently occupy approximately 14,000 square feet. We lease our facilities and our lease ends in September 2026. At the end of the term, we have the option to extend the lease for an additional five years. Our monthly rent payment is NIS 79,000 (approximately $25,000). In 2023, the monthly rent payments will increase to NIS 82,000 (approximately $26,000), and in 2026, the monthly rent will increase to NIS 83,000 (approximately $26,000).

We consider our current space sufficient to meet our anticipated needs for the foreseeable future and believe our current space is suitable for the conduct of our business.

Employees

As of the date of this prospectus, we have five senior management positions, all of whom are engaged on a full-time basis, one of whom is engaged as a service provider. In addition to our senior management, we have 52 employees and two dedicated service providers, who provide services to the Company as independent contractors, in full or part-time capacities. The majority of our employees are located in Israel.

None of our employees are represented by labor unions or covered by collective bargaining agreements. We believe that we maintain good relations with all our employees. However, in Israel, we are subject to certain Israeli labor laws, regulations and national labor court precedent rulings, as well as certain provisions of collective bargaining agreements applicable to us by virtue of extension orders issued in accordance with relevant labor laws by the Israeli Ministry of Economy and which apply such agreement provisions to our employees even though they are not part of a union that has signed a collective bargaining agreement.

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

Legal Proceedings

We are not currently party to any pending material legal proceedings. From time to time, we may become a party to litigation incident to the ordinary course of our business. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

MANAGEMENT

Directors and Senior Management

The following table sets forth information regarding our executive officers, key employees and directors as of March 24, 2022:

Name	Age	Position
Executive Officers		
Shahar Hania	49	Chief Executive Officer
Ofer Naveh	50	Chief Financial Officer
Zachi Bar-Yehoshua	47	Chief Operating Officer
Ofer Grisaro	45	Vice President of Marketing and Sales
Amit Klir	52	Vice President of Research and Development
Non-Employee Directors		
Shmuel Donnerstein	69	Chairman of the Board of Directors and Director
Elen Katz	58	Director
Itschak Shrem	74	Director
Eli Yoresh	51	Director
Mario Beinert	46	Director
Maximilian Eichhorn	53	Director
Director-Nominees		
Inbal Kreiss (1)(2)(3)	55	Director Nominee
Regina Ungar (1)(2)(3)(4)	59	Director Nominee
Yossi Daskal (1)(2)(3)(4)	68	Director Nominee

(1) Member of the audit committee.

(2) Member of the compensation committee.

(3) Independent director (as defined under Nasdaq Stock Market Listing Rules)

(4) External director (as defined under the Companies Law)

Senior Management

Shahar Hania, Chief Executive Officer

Mr. Shahar Hania has served as our Chief Executive Officer since November 2020. Previously, Mr. Hania served as a member of our board of directors from November 2020 to March 2022, and as our Vice President of Research and Development from April 2016 to March 2021. Mr. Hania is an electro-optics expert with vast experience (since 1994) in the fields of combined electro-optics systems, detection, infrared systems and lasers. Mr. Hania held senior system engineering positions in Bird Aerosystems Ltd. From April 2012 to May 2016, and Elbit Systems Electro-Optics ELOP Ltd. From 2000 to 2012. Mr. Hania holds a B.Sc. in Physics and Electro-optics engineering from the Jerusalem College of Technology, Israel and a M.Sc. in electro-optics engineering from Ben-Gurion University, Israel.

Ofer Naveh, Chief Financial Officer

Mr. Ofer Naveh has served as our Chief Financial Officer since June 2017. Mr. Naveh brings more than 15 years of experience in accounting and financial management, at KPMG's audit practice from December 1999 to November 2005, and in numerous financial and accounting roles at public companies traded in Israel and the United States. Mr. Naveh served as chief financial officer of Accel Solutions Group Ltd (formerly: Dolomite Holdings Ltd.), a public company organized under the laws of the State of Israel and listed on the Tel Aviv Stock Exchange, or the TASE, from 2010 through June 2017. Mr. Naveh holds a B.A. in Accounting and Business from the College of Management Academic Studies, Israel and a M.A. in Law from Bar-Ilan University, Israel. Mr. Naveh is a Certified Public Accountant in Israel.

Zachi Bar-Yehoshua, Chief Operating Officer

Mr. Zachi Bar-Yehoshua has served as our Vice president of Operations since June 2017. Mr. Bar-Yehoshua has combined managerial experience of more than 20 years, both in the high-tech sector and traditional industries in several service and operation roles. Mr. Bar-Yehoshua served as operation and customer manager at Zoko Enterprises Ltd., an infrastructure and transportation company, from June 2015 through June 2017 and as vice president of technologies services at Team-Netcom Ltd. (Malam Group), a hardware development company, from March 2011 through May 2015. Mr. Bar-Yehoshua holds a B.A. in Management and M.B.A in Business Administration from the Open University of Israel.

Ofer Grisaro, Vice President of Marketing and Sales

Mr. Ofer Grisaro has served as our Vice President of Marketing and Sales since February 1, 2021. Mr. Grisaro has more than 15 years of experience in sales, marketing and business development. Prior to joining us, between February 2019 and January 2021, Mr. Grisaro worked as a regional sales manager of NSO Technologies Ltd., a Cyber intelligence company. Prior to that, Mr. Grisaro worked as a sales director at D.S.I.T. Solutions Ltd., an underwater surveillance company, between March 2017 and February 2019. Mr. Grisaro holds B.A. degree in Management and an M.B.A. in International Marketing Pricing, both from the Ben Gurion University, Israel.

Amit Klir, Vice President of Research and Development

Mr. Amit Klir has served as our Vice President of Technology, Research and Development since March 2021. Mr. Klir has more than 25 years of experience in development and leadership of video and audio applications. Prior to joining us, Mr. Klir worked as the Head of Engineering at Continuse Biometrics Ltd., an innovative medical company, between May 2015 and March 2021. Mr. Klir holds a B.Sc. degree in Electric Engineering and Computers from the Ben Gurion University, Israel.

Non-Employee Directors

Shmuel Donnerstein, Director

Mr. Shmuel Donnerstein has served as our Chairman of the board of directors since June 2020. Since 2008, Mr. Donnerstein serves as the Chairman of the board of directors of Rav Bariach (08) Industries Ltd, a leading company in the door & locks industry in Israel for over 40 years, and also served as the CEO until 2016. Mr. Donnerstein also serves on the board of directors of Scoutam Ltd. (OTCMKTS: SCTC), Safe-Food Ltd., Rav Bariach Locking Products Ltd, Doors (08) Industries Ltd., Norieali Construction Industries Ltd. And Rav Bariach (08) Industries Ltd. Mr. Donnerstein holds a B.A. in Economics from Tel-Aviv University.

Elen Katz, Director

Mr. Elen Katz has served on our board of directors since April 2016 (except for one week between October and November 2020). Previously, Mr. Katz served as our Chairman of the board of directors and Chief Executive Officer between April 2016 and October 2020. Mr. Katz is an experienced inventor and entrepreneur in the field of mechanical and software innovation, homeland security and mobile and robotic sensors. Between 2013 and our establishment in 2016, Mr. Katz served as a director for I-Trak Ltd., a company that operates within the land security, robotic sensor and computer vision industries. In addition, Mr. Katz provided consultation services to I-Trak Ltd. With respect to several projects in the fields of homeland security, electro-optic robotics and computer vision.

Itschak Shrem, Director

Mr. Itschak Shrem has served on our board of directors since August 2016 (except for a two month leave of absence during June and July 2018). Mr. Shrem has more than 40 years of experience in financial markets and venture capital. In 1991, Mr. Shrem founded Dovrat Shrem Ltd., an investment banking, management and technology company. Prior to that, he spent 15 years at Clal Israel Ltd., where he served in various capacities, including chief operating officer, and was responsible for capital markets and insurance businesses. In 1993, Mr. Shrem founded Pitango Venture Capital Fund (formerly, Polaris) and served as a partner of Pitango Funds I, II and III. He has been the Managing Director of Yaad Consulting 1995 Ltd. Since 1995. Since August 2020, Mr. Shrem serves as the chairman of the board of directors of SciSparc Ltd. (NASDAQ: SPRC). Previously, Mr. Shrem served on the board of Tel-Aviv Sourasky Medical Center, the Weizman Institute Eden Spring Ltd., Nano Dimension Ltd., Ormat Industries Ltd., Retalix Ltd. And as chairman of Sphera Funds Management Ltd. Mr. Shrem holds a B.A. in Economics and Accounting from Bar-Ilan University and an M.B.A. from Tel-Aviv University.

Eli Yoresh, Director

Mr. Eli Yoresh has served on our board of directors since August 2017. Mr. Yoresh is a seasoned executive with over 15 years of executive and financial management experience, mainly with companies in the financial, technology and industrial sectors. Mr. Yoresh has served as chief financial officer since March 2010, and as a director since October 2010, at Foresight Autonomous Holdings Ltd. (Nasdaq and TASE: FRSX), one of our shareholders. Mr. Yoresh served as the chief executive officer of Tomcar Global Holdings Ltd., a global manufacturer of off-road vehicles, from 2005 to 2008. In addition, since March 2014, Mr. Yoresh has served as a director at Nano Dimension Ltd. (Nasdaq and TASE: NNDM). Mr. Yoresh's previous directorships include Greenstone Industries Ltd. (TASE: GRTN) from January 2013 to June 2015, as the chairman of both Zmicha Investment House Ltd. (TASE: TZMI-M) from February 2013 to July 2015 and Gefen Biomed Investments Ltd. (TASE: GEFEN) from April 2013 to July 2015. Mr. Yoresh holds a B.A. in Business Administration from the College of Management, Israel and an M.A. in Law from Bar-Ilan University, Israel. Mr. Yoresh is a Certified Public Accountant in Israel.

Mario Beinert, Director

Mr. Mario Beinert has served on our board of directors since March 2019. Mr. Beinert has more than 17 years of experience in The Truck and Railway industry. Since 2018 Mr. Beinert has served as the Vice President of RailServices at Knorr-Bremse's Rail Division, where he is globally responsible for the aftermarket. Prior to that, he served as the Vice President CoC Air Supply Operations between May 2012 and January 2018. Mr. Beinert also served on the board of directors of Railnova SA, a company in Belgium that deals with digital services in the Railway industry in which Knorr-Bremse has acquired shares. Mr. Beinert holds a Master of Business Administration and Engineering degree from the Karlsruhe Institute of Technology (KIT) in Germany.

Maximilian Eichhorn, Director

Mr. Maximilian Eichhorn has served on our board of directors since October 2020. Mr. Eichhorn has more than 15 years of experience in the rail industry. Mr. Eichhorn currently serves as the Vice President Digital Products and Services of Knorr-Bremse's Rail Systems Division since November 2020. Prior to that Mr. Eichhorn worked for 20 years for Siemens and served as Vice President Mobility Operating System and ATMS Software Solutions (July 2019 to September 2020), as Senior Vice President Strategy & Business Development (May 2018 to June 2019), and as Vice President Digital Transformation (January 2018 to May 2018), at Siemens Mobility GmbH, a 100% daughter company of Siemens AG. Prior to that, from January 2015 to December 2017, Mr. Eichhorn served as the Executive General Manager at Siemens Ltd. And as the Managing Director / CEO at Siemens Rail Automation Pty. Ltd., both located in Melbourne, Australia. Since January 2022, he also serves on the board of directors of Railnova S.A., Brussels, Belgium, a minority investment of Knorr-Bremse. Mr. Eichhorn holds a Master of Science degree in Electrical Engineering from the Technical University of Vienna, Austria, and a Ph.D. degree at Business Management from the University of Gottingen, Germany.

Director Nominees

Inbal Kreiss, Director Nominee

Mrs. Inbal Kreiss, one of our director nominees, is currently the Head of Innovation at the Systems, Missiles and Space Division of the Israeli Aerospace Industries Ltd. (IAI) and Chairwoman of RAKIA, Israel's 2nd Scientific and Technological Mission to the International Space Station. Since 2013, Mrs. Kreiss has served as Deputy Director of the Space Division at IAI, leading the development, construction, launch and operation of observation and communication satellites for both Israeli and foreign users. Prior to that, Mrs. Kreiss held various leadership positions within IAI, including chief engineer of Israel's Arrow 2 anti-ballistic missile defense system from 2000 to 2006, and project manager of the Arrow 3 exo-atmospheric interceptor from 2007 to 2013. Mrs. Kreiss holds a B.Sc in chemical engineering from the Technion, Israeli Institute of Technology, an Executive Masters in Business Administration from Tel Aviv University, and completed a visiting research fellowship at the Aeronautics & Astronautics Department of the Massachusetts Institute of Technology (MIT).

Regina Ungar, Director Nominee

Mrs. Ungar, one of our director nominees, serves as the Vice President of the Israeli Institute of Certified Public Accounting since 2018. Mrs. Unger has also served as the Chairperson of the Board of Packer Steel since 2019. Mrs. Unger also serves as an Independent Director at MIVNE Group Ltd. since 2019. Mrs. Unger has previously served as an Independent Director at ZIM International Shipping Lines from 2014 to 2021, Rafel Advanced Defense Systems Ltd. from 2014 to 2017, and KOOR Industries Ltd. from 2013 to 2014. Mrs. Unger holds an Masters of Business Administration (Finance) and a Bachelor of Arts in Accountings & Economics, both from Tel-Aviv University.

Yossi Daskal, Director Nominee

Mr. Daskal, one of our director nominees, serves as the President of Israel-Canada Chamber of Commerce since 2013. From 2003 to 2019, Mr. Daskal established Bombardier Israel, working as Chief Country Representative, Project Manager, Financing & Head of Sales. Prior to that, Mr. Daskal was the General Manager of Chemitron Technologies from 1999 to 2003. Since 2021, he is the chairman of the board of directors and the director of the finance committee of the Tel Aviv Museum of Art. Mr. Daskal has a Bachelors of Arts in Mediterranean and Arabic History Science and a Masters of Arts in Political Science, and is completing a PhD in Decision-Making from Haifa University.

Family Relationships

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

Arrangements for Election of Directors and Members of Management

Pursuant to our articles of association that will be in effect upon the consummation of this offering, shareholders will be entitled to appoint a director to our board of director for each 10% of our outstanding share capital that they own. Following this offering, there will be no other arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which any of our executive management or our directors were selected. See "Related Party Transactions" for additional information.

Compensation

The following table 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, 2021. 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 the cost to us in thousands of U.S. dollars, for the year ended December 31, 2021. Amounts paid in NIS are translated into U.S. dollars at the rate of NIS 3.116 = $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 in the year ended December 31, 2021.

	Salary and Related Benefits	Pension, Retirement and Other Similar Benefits	Share Based Compensation
All directors and senior management as a group, consisting of 6 persons (as of December 31, 2021).	$ 1,080,962		$ 589,161

As of December 31, 2021, options to purchase 826,848 ordinary shares granted to our directors and executive officers were outstanding under our Option Plan at a weighted average exercise price of $6.1393 per share. No options granted to our executive officers and directors during the year ended December 31, 2021.

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 companies 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 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 annual 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.

Employment Agreements and Service Agreements with Executive Officers

We have entered into written employment agreements and/or service agreements with each of our executive officers. These agreements are terminable by either party upon prior written notice ranging from 30 to 90 days. All of these agreements contain customary provisions regarding noncompetition, confidentiality of information and assignment of inventions. However, the enforceability of the noncompetition provisions may be limited under applicable law. In addition, we have entered into agreements with each executive officer and director pursuant to which we have agreed to indemnify each of them up to a certain amount and to the extent that these liabilities are not covered by directors and officers insurance. We contribute (usually following a trial period of three months) monthly amounts for the benefit and on behalf of all our employees located in Israel to a pension fund pursuant to Section 14 of Israel's Severance Pay Law. Employees covered by Section 14 are entitled to monthly deposits at a rate of 8.33% of their monthly salary, made on their behalf by us. Payments in accordance with Section 14 release us from any future severance liabilities in respect of those employees. We do not set aside or accrue any additional amounts to provide pension, severance, retirement or other similar benefits or expenses. Most of our executive officers do not receive benefits upon the termination of their respective employment with us, other than benefits under Section 14.

Subject to the completion of this offering, we will pay a one-time IPO bonus to our Chief Executive Officer in the amount of NIS 312,000 (approximately $97,000), and will grant our Chief Executive Officer options to purchase 156,081 ordinary shares (equal to 0.75% of our post-IPO share capital on a fully diluted basis), with an exercise price per share equal to the average closing share price on the Nasdaq over the first 30 calendar days following this offering. Such options will vest one-third following 12 months from the completion of this offering and the balance on quarterly basis during the following 24 months.

In addition, subject to the completion of this offering, we will pay a one-time IPO bonus to our Chief Financial Officer in the amount of NIS 270,000 (approximately $84,000), and will grant our Chief Financial Officer options to purchase 124,865 ordinary shares (equal to 0.6% of our post-IPO share capital on a fully diluted basis), with an exercise price per share equal to the average closing share price on the Nasdaq over the first 30 calendar days following this offering. Such options will vest one-third following 12 months from the completion of this offering and the balance on quarterly basis during the following 24 months.

The final amount of options to purchase ordinary shares may vary depending upon the actual total number of outstanding ordinary shares following this offering on a fully diluted basis. For a description of the terms of our options and Option Plan, see "Management—Equity Incentive Plan" below.

Directors' Service Contracts

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

Upon completion of this offering, board members who are not otherwise engaged or employed by us, including the director nominees to serve as board members, will each be entitled to (i) an annual fee of NIS 48,000 and a per meeting fee of NIS 2,000, and (ii) options to purchase 39,932 ordinary shares with an exercise price per share equal to the average closing share price on the Nasdaq over the first 30 calendar days following this offering. Such options will vest one-third over three years from the completion of this offering. Board members may waive there right to receive the above fees or options or any part thereof, and director nominees may assign their right to remunerations to the shareholder which appointed them.

On October 21, 2020, we entered into a service agreement with Mr. Donnerstein under which he was engaged to serve as our active Chairman of the board. In consideration for his services, Mr. Donnerstein is entitled to a monthly fee of $3,000 (plus VAT) which will be increased to $10,000 (plus VAT) following this offering. Mr. Donnerstein was granted 556,820 options to purchase ordinary shares under our Option Plan. In addition, subject to the completion of this offering, we will pay Mr. Donnerstein a one-time IPO bonus in the amount of $50,000 (plus VAT) and will grant additional options to purchase 266,216 ordinary shares, with an exercise price per share equal to the average closing share price on the Nasdaq over the first 30 calendar days following this offering. Such options will vest one-half following 12 months from the completion of this offering and the balance on quarterly basis during the following 24 months.

Differences between the Companies Law and Nasdaq Requirements

The Sarbanes-Oxley Act, as well as related rules subsequently implemented by the SEC, require foreign private issuers, such as us, to comply with various corporate governance practices. In addition, following the listing of our ordinary shares and warrants on the Nasdaq Capital Market, we will be required to comply with the Nasdaq Stock Market rules. Under those rules, we may elect to follow certain corporate governance practices permitted under the Companies Law in lieu of compliance with corresponding corporate governance requirements otherwise imposed by the Nasdaq Stock Market rules for U.S. domestic issuers.

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

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

- *Quorum*. While the Nasdaq Stock Market rules require that the quorum for purposes of any meeting of the holders of a listed company's common voting stock, as specified in the company's bylaws, be no less than 33 1/3% of the company's outstanding issued and outstanding share capital, under Israeli law, a company is entitled to determine in its articles of association the number of shareholders and percentage of holdings required for a quorum at a shareholders meeting. Our amended and restated articles of association to be in effect upon the completion of this offering will provide that a quorum of two or more shareholders holding at least 50% of the voting rights in person or by proxy is required for commencement of business at a general meeting. However, the quorum set forth in our amended and restated articles of association with respect to an adjourned meeting consists of any number of shareholders present in person or by proxy.

- *Nomination of our directors.* Our amended and restated articles of association to be in effect upon the completion of this offering will provide that with the exception of directors elected by our board of directors and external directors, which will be elected by an annual or special meeting of our shareholders and shall hold office until the next annual meeting following one year from his or her election, or 3 years period in case of external director, each shareholder who directly holds at least 10% of the issued share capital of the Company shall be entitled to appoint and remove one director and such appointment shall be for undefined period. The nominations for directors, which are presented to our shareholders by our board of directors, are generally made by the board of directors itself, in accordance with the provisions of our amended and restated articles of association and the Companies Law. Nominations need not be made by a nominating committee of our board of directors consisting solely of independent directors, as required under the Nasdaq Stock Market rules.

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

- *Independent directors.* Israeli law does not require that a majority of the directors serving on our board of directors be "independent," as defined under Nasdaq Stock Market Rule 5605(a)(2), and rather requires we have at least two external directors who meet the requirements of the Companies Law, as described below under "Management—Board Practices—External Directors." The definition of independent director under Nasdaq Stock Market rules and external director under the Companies Law overlap to a significant degree such that we would generally expect the directors serving as external directors to satisfy the requirements to be independent under Nasdaq Stock Market rules. However, it is possible for a director to qualify as an ''external director'' under the Companies Law without qualifying as an ''independent director'' under the Nasdaq Stock Market rules, or vice-versa. Notwithstanding Israeli law, we believe that a majority of our directors are currently "independent" under the Nasdaq Stock Market rules. Our board of directors has determined that Mr. Yossi Daskal, Mrs. Regina Ungar and Mrs. Inbal Kreiss are "independent" for purposes of the Nasdaq Stock Market rules. We are required, however, to ensure that all members of our Audit Committee are "independent" under the applicable Nasdaq and SEC criteria for independence (as we cannot exempt ourselves from compliance with that SEC independence requirement, despite our status as a foreign private issuer), and we must also ensure that a majority of the members of our Audit Committee are "independent directors" as defined in the Companies Law. Furthermore, Israeli law does not require, nor do our independent directors conduct, regularly scheduled meetings at which only they are present, which the Nasdaq Stock Market rules otherwise require.

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

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

Board Practices

Under our amended and restated articles of association, which will be effective immediately prior and subject to the completion of this offering, our board of directors must consist of at least four (4) directors and not more than thirteen (13) directors, including at least two external directors if required to be appointed under the Companies Law. Pursuant to the Companies Law, the management of our business is vested in our board of directors. Our board of directors may exercise all powers and may take all actions that are not specifically granted to our shareholders or to management. Our executive officers are responsible for our day-to-day management and have individual responsibilities established by our board of directors. Our Chief Executive Officer is appointed by, and serves at the discretion of, our board of directors, subject to the services agreement that we have entered into with him. All other executive officers are appointed by our Chief Executive Officer. Their terms of employment are subject to the approval of the board of directors' compensation committee and of the board of directors, as well as our shareholders in the event such terms deviate from our office holder compensation policy, and are subject to the terms of any applicable employment agreements that we may enter into with them.

Each director, except external directors and directors appointed by shareholders holding at least 10% if the issued and outstanding share capital of the company, will hold office until the annual general meeting of our shareholders for the year in which his or her term expires, he or she resigns or unless he or she is removed by a majority vote of our shareholders at a general meeting of our shareholders or upon the occurrence of certain events, in accordance with the Companies Law and our amended and restated articles of association.

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

Under the Companies Law, any shareholder holding at least one percent of our outstanding voting power may request 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 determines that the matter is appropriate to be considered in a general meeting including in order to nominate a director. Any such notice must include certain information, including the consent of the proposed director nominee to serve as our director if elected, and a declaration signed by the nominee declaring that he or she possess the requisite skills and has the availability to carry out his or her duties. Additionally, the nominee must provide details of such skills, and demonstrate an absence of any limitation under the Companies Law that may prevent his or her election, and affirm that all of the required election-information is provided to us, pursuant to the Companies Law.

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

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

The board of directors may, subject to the provisions of the Companies Law and certain limitations set forth therein, delegate 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. Unless otherwise expressly provided by the board of directors, the committees shall not be empowered to further delegate such powers. The composition and duties of our audit committee and compensation committee are described below.

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

External Directors

Under the Companies Law, an Israeli company whose shares have been offered to the public or whose shares are listed for trading on a stock exchange in or outside of Israel is required to appoint at least two external directors to serve on its board of directors. External directors must meet stringent standards of independence. Mr. Yossi Daskal and Mrs. Regina Ungar have agreed to serve as our external directors following the completion of this offering, subject to ratification at a meeting of our shareholders to be held no later than three months following the completion of this offering.

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

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

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

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

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

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

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

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

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

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

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

Each committee of the board of directors that exercises the powers of the board of directors must include at least one external director, except that the audit committee and the compensation committee must include all external directors then serving on the board of directors and an external director must serve as the chair thereof. Under the Companies Law, external directors of a company are prohibited from receiving, directly or indirectly, any compensation from the company other than for their services as external directors pursuant to the Companies Law and the regulations promulgated thereunder. Compensation of an external director is determined prior to his or her appointment and may not be changed during his or her term subject to certain exceptions.

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

The term "Controlling Shareholder" means a shareholder with the ability to direct the activities of the company, other than by virtue of being an office holder. A shareholder is presumed to have "control" of the company and thus to be a controlling shareholder of the company if the shareholder holds 50% or more of the "means of control" of the company. "Means of control" is defined as (1) the right to vote at a general meeting of a company or a corresponding body of another corporation; or (2) the right to appoint directors of the corporation or its general manager. For the purpose of approving related-party transactions, the term also includes any shareholder that holds 25% or more of the voting rights of the company if the company has no shareholder that owns more than 50% of its voting rights. For the purpose of determining the holding percentage stated above, two or more shareholders who have a personal interest in a transaction that is brought for the company's approval are deemed as joint holders.

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

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

- an employment relationship;
- a business or professional relationship even if not maintained on a regular basis (excluding insignificant relationships);
- control; and
- service as an office holder, excluding service as a director in a private company prior to the initial public offering of its shares if such director was appointed as a director of the private company in order to serve as an external director following the initial public offering.

The term "office holder" is defined in the Companies Law as a general manager, chief business manager, deputy general manager, vice general manager, any other person assuming the responsibilities of any of these positions regardless of that person's title, a director and any other manager directly subordinate to the general manager.

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

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

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

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

Independent Directors Under the Companies Law

Under the Companies Law an "independent director" is either an external director or a director who meets the same non-affiliation criteria as an external director, (except for (i) the requirement that the director be an Israeli resident (which does not apply to companies such as ours whose securities have been offered outside of Israel or are listed outside of Israel) and (ii) the requirement for accounting and financial expertise or professional qualifications) as determined by the audit committee, and who has not served as a director of the company for more than nine consecutive years. For these purposes, ceasing to serve as a director for a period of two years or less would not be deemed to sever the consecutive nature of such director's service. Mrs. Inbal Kreiss has agreed to serve as our independent director following the completion of this offering, subject to ratification at a meeting of our shareholders to be held no later than three months following the completion of this offering.

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

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

Alternate Directors

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

Committees of the Board of Directors

Audit Committee

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

In addition, a majority of the members of the audit committee of a publicly-traded company must be independent directors under the Companies Law.

The members of our audit committee, which will be formed following the completion of this offering, will be Mr. Yossi Daskal, Mrs. Regina Ungar and Mrs. Inbal Kreiss.

Our audit committee will also act as a committee for review of our financial statements as required under the Companies Law, and in such capacity will oversee and monitor our accounting; financial reporting processes and controls, audits of the financial statements, compliance with legal and regulatory requirements as they relate to financial statements or accounting matters, and the independent registered public accounting firm's qualifications, independence and performance; and provide the board of directors with reports on the foregoing.

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

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

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

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

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

- where the board of directors approves the working plan of the internal auditor, examining such working plan before its submission to the board of directors and proposing amendments thereto;

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

- establishing procedures for the handling of employees' complaints as to the management of our business and the protection to be provided to such employees.

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

Nasdaq Stock Market Requirements for Audit Committee

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

As noted above, the members of our audit committee will be Mr. Yossi Daskal and Mrs. Regina Ungar, who will serve as external directors, and Mrs. Inball Kreiss who will serve as an independent director, each of whom is "independent," as such term is defined in under Nasdaq Stock Market rules. members of our audit committee meet the requirements for financial literacy under the Nasdaq Stock Market rules. Our board of directors has determined that each member of our audit committee is an audit committee financial expert as defined by the SEC rules and has the requisite financial experience as defined by the Nasdaq Stock Market rules.

Our board of directors has adopted an audit committee charter to be effective upon completion of this offering setting forth among others, the responsibilities of the audit committee consistent with the rules of the SEC and Nasdaq Stock Market Rules (in addition to the requirements for such committee under the Companies Law).

Compensation Committee

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

The members of our compensation committee, which will be formed following the completion of this offering, will be Mr. Yossi Daskal, Mrs. Regina Ungar and Mrs. Inbal Kreiss, each of whom is "independent," as such term is defined under the Nasdaq Stock Market rules. Our compensation committee complies with the provisions of the Companies Law, the regulations promulgated thereunder, and our amended and restated articles of association, on all aspects referring to its independence, authorities and practice. Our compensation committee follows home country practice as opposed to complying with the compensation committee membership and charter requirements prescribed under the Nasdaq Stock Market rules. Our board of directors has adopted a compensation committee charter to be effective upon completion of this offering.

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

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

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

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

The compensation policy must also include the following principles:

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

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

The compensation committee is also responsible for:

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

Internal Auditor

Under the Companies Law, the board of directors of an Israeli public company must appoint an internal auditor nominated by the audit committee. The role of the internal auditor is to examine, among other things, whether a company's actions comply with the law and proper business procedure. The audit committee is required to oversee the activities, and to assess the performance of the internal auditor as well as to review the internal auditor's work plan. An internal auditor may not be an interested party or office holder, or a relative of any interested party or office holder, and may not be a member of the company's independent accounting firm or its representative. The Companies Law defines an interested party as a holder of 5% or more of the outstanding shares or voting rights of a company, any person or entity that has the right to nominate or appoint at least one director or the general manager of the company or any person who serves as a director or as the general manager of a company. We intend to appoint an internal auditor following the closing of this offering.

Remuneration of Directors

Under the Companies Law, remuneration of directors is subject to the approval of the compensation committee, thereafter by the board of directors and thereafter, unless exempted under the regulations promulgated under the Companies Law, by the general meeting of the shareholders. External directors are entitled to remuneration (including reimbursement of expenses) subject to the provisions and limitations set forth in the regulations promulgated under the Companies Law. Where the director is also a controlling shareholder, the requirements for approval of transactions with controlling shareholders apply.

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

Fiduciary Duties of Office Holders

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

The duty of care requires an office holder to act with the level of care with which a reasonable office holder in the same position would have acted under the same circumstances. The duty of care of an office holder includes a duty to use reasonable means to obtain:

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

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

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

Insurance

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

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

We currently have directors' and officers' liability insurance, providing total coverage of NIS 18,000,000 (approximately $5,600,000 for the benefit of all of our directors and officers, which expires on March 31, 2022. We expect to purchase additional insurance prior to the consummation of this offering.

On March 21, 2022, our board of directors approved our entering into a Directors and Officers Insurance Policy for a period of 12 months from completion of this IPO with a $5 million coverage, and an annual premium of $400,000.

Indemnification

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

- a financial liability imposed on him or her in favor of another person by any judgment concerning an act performed in his or her capacity as an office holder, including a settlement or arbitrator's award approved by a court. 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 foreseen events and amount or criteria;
- reasonable litigation expenses, including attorneys' fees, expended by the office holder (a) as a result of an investigation or proceeding instituted against him or her by an authority authorized to conduct such investigation or proceeding, provided that (1) no indictment (as defined in the Companies Law) was filed against such office holder as a result of such investigation or proceeding; and (2) no financial liability as a substitute for the criminal proceeding (as defined in the Companies Law) was imposed upon him or her as a result of such investigation or proceeding, or, if such financial liability was imposed, it was imposed with respect to an offense that does not require proof of criminal intent; and (b) in connection with a monetary sanction;

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

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

Exculpation

Under the Companies Law, an Israeli company may not exculpate an office holder from liability for a breach of his or her duty of loyalty, but may exculpate in advance an office holder from his or her liability to the company, in whole or in part, for damages caused to the company as a result of a breach of his or her duty of care (other than in relation to distributions), but only if a provision authorizing such exculpation is included in its articles of association.

Limitations

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

Under the Companies Law, exculpation, indemnification and insurance of office holders in a public company must be approved by the compensation committee and the board of directors and, with respect to certain office holders or under certain circumstances, also by the shareholders (see "Management—Board Practices—Approval of Related Party Transactions under Israeli Law").

Our amended and restated articles of association to be effective upon the closing of this offering will permit us to exculpate, indemnify and insure our office holders to the fullest extent permitted or to be permitted by the Companies Law.

Prior to the closing of this offering, we intend to enter into agreements with each of our directors and executive officers exculpating them from liability to us for damages caused to us as a result of a breach of duty of care and undertaking to indemnify them, in each case, to the fullest extent permitted by our amended and restated articles of association to be effective upon the closing of this offering and the Companies Law, including with respect to liabilities resulting from this offering to the extent that these liabilities are not covered by insurance.

Approval of Related Party Transactions under Israeli Law

General

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

- the office holder acts in good faith and the act or its approval does not cause harm to the company; and
- the office holder disclosed the nature of his or her interest in the transaction (including any significant fact or document) to the company at a reasonable time before the company's approval of such matter.

Disclosure of Personal Interests of an Office Holder

The Companies Law requires that an office holder disclose to the company, promptly, and, in any event, not later than the board meeting at which the transaction is first discussed, any direct or indirect personal interest that he or she may have and all related material information known to him or her relating to any existing or proposed transaction by the company. If the transaction is an extraordinary transaction, the office holder must also disclose any personal interest held by:

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

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

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

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

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

Disclosure of Personal Interests of a Controlling Shareholder

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

- at least a majority of the shares held by shareholders who have no personal interest in the transaction and are voting at the meeting must be voted in favor of approving the transaction, excluding abstentions; or
- the shares voted by shareholders who have no personal interest in the transaction who vote against the transaction represent no more than 2% of the voting rights in the company.

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

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

Approval of the Compensation of Directors and Executive Officers

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

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

Chief executive officer. Under the Companies Law, the compensation of a public company's chief executive officer is required to be approved by: (i) the company's compensation committee; (ii) the company's board of directors, and (iii) the company's shareholders by a special majority. However, if the shareholders of the company do not approve the compensation arrangement with the chief executive officer, the compensation committee and board of directors may override the shareholders' decision if each of the compensation committee and the board of directors provides detailed reasons for their decision. In addition, the compensation committee may exempt the engagement terms of a candidate to serve as the chief executive officer from shareholders' approval, if the compensation committee determines that the compensation arrangement is consistent with the company's stated compensation policy, that the chief executive officer did not have a prior business relationship with the company or a controlling shareholder of the company, and that subjecting the approval to a shareholder vote would impede the company's ability to attain the candidate to serve as the company's chief executive officer (and provide detailed reasons for the latter).

The approval of each of the compensation committee and the board of directors, with regard to the office holders and directors above, must be in accordance with the company's stated compensation policy; however, under special circumstances, the compensation committee and the board of directors may approve compensation terms of a chief executive officer that are inconsistent with the company's compensation policy provided that they have considered those provisions that must be included in the compensation policy according to the Companies Law and that shareholder approval was obtained by a special majority requirement.

Duties of Shareholders

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

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

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

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

We currently do not have any controlling shareholder as defined by the Companies Law. See "Beneficial Ownership of Principal Shareholders and Management."

Equity Incentive Plan

We maintain one equity incentive plan – our Option Plan. As of March 24, 2022, the number of ordinary shares reserved for issuance under the Option Plan was 2,332,352. As of March 24, 2022, 1,248,676 options to purchase 1,248,676 ordinary shares were issued and outstanding, of which 669,126 options were vested as of that date, with an exercise price approximately $6.1393 per share. Our board may, at any time during the term of the Option Plan increase the number of shares available for grant under the Option Plan subject to any required approval of the our shareholders of such increase if so required under applicable laws and/or our incorporation documents and/or any shareholders agreement, as shall be in effect from time to time.

Our Option Plan was adopted by our board of directors on January 31, 2017, and awards may be granted under the Option Plan until January 31, 2027. Our Option Plan was last amended in March 2022. Our employees, directors, officers, and services providers, including those who are our controlling shareholders, as well as those of our affiliated companies, are eligible to participate in this Option Plan.

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

As a default, our Option Plan provides that upon termination of employment for any reason, other than in the event of death or disability, all unvested options will expire and all vested options will generally be exercisable for one month following such termination, if we initiate such termination, or two weeks following such termination, if an employee initiates such termination, or such other period as determined by the Option Plan administrator, subject to the terms of the Option Plan and the governing option agreement. Notwithstanding the foregoing, in the event the employment is terminated for cause (including, inter alia, a breach of confidentiality or non-compete obligations to us, and commission of an act involving moral turpitude or an act that causes harm to us) all options granted to such employee, whether vested or unvested, will not be exercisable and will terminate on the date of the termination of his employment.

Upon termination of employment due to death or disability, all the options vested at the time of termination will generally be exercisable for six months, or such other period as determined by the Option Plan administrator, subject to the terms of the Option Plan and the governing option agreement.

BENEFICIAL OWNERSHIP OF PRINCIPAL SHAREHOLDERS AND MANAGEMENT

The following table sets forth information regarding beneficial ownership of our ordinary shares as of March 24, 2022 by:

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

Beneficial ownership is determined in accordance with the rules of the SEC, and includes voting or investment power with respect to ordinary shares. Ordinary shares issuable under share options or warrants that are exercisable within 60 days after March 24, 2022 are deemed outstanding for the purpose of computing the percentage ownership of the person holding the options or warrants but are not deemed outstanding for the purpose of computing the percentage ownership of any other person. Percentage of shares beneficially owned before this offering is based on shares outstanding on March 24, 2022 after giving effect to (i) the issuance of 10,256 Preferred A shares upon an investment of an additional $2,000,000 by Knorr-Bremse on March 6, 2022, (ii) the automatic conversion of 61,538 Preferred A shares into 2,707,672 ordinary shares (after giving effect to the issuance of bonus shares described above) immediately prior to the completion of this offering, and (iii) the issuance of 200,000 ordinary shares upon the automatic conversion of SAFE investments immediately prior to the completion of this offering at an assumed conversion price equal to $5.00, the midpoint of the price range set forth on the cover page of this prospectus. The number of ordinary shares deemed outstanding after this offering gives further effect to the issuance of ordinary shares included in the units in this offering at an assumed initial public offering price of $9.00 per unit, which is the midpoint of the price range set forth on the cover page of this prospectus and assumes no exercise of the underwriter's over-allotment option.

Certain of our existing shareholders, including entities affiliated with certain of our directors and beneficial owners of greater than 5% of our share capital, have indicated an interest in purchasing up to an aggregate of $2.5 million of units in this offering at the initial public offering price per unit. Based on an assumed initial public offering price of $9.00 per unit, which is the midpoint of the price range set forth on the cover page of this prospectus, these shareholders would purchase up to an aggregate of 500,000 of the 3,550,000 units in this offering based on these indications of interest. However, because indications of interest are not binding agreements or commitments to purchase, these shareholders may determine to purchase more, less or no units in this offering. It is also possible that these shareholders could indicate an interest in purchasing more units. In addition, the underwriter could determine to sell fewer units to any of these shareholders than the shareholders indicate an interest in purchasing or not to sell any units to these shareholders. The information in the table below does not reflect the anticipated purchase of any units in this offering by our existing shareholders.

Except as indicated in the footnotes to this table, we believe that the shareholders named in this table have sole voting and investment power with respect to all shares shown to be beneficially owned by them, based on information provided to us by such shareholders. Unless otherwise noted below, each beneficial owner's address is: c/o Rail Vision Ltd., 15 Ha'Tidhar St., Ra'anana, 4366517 Israel.

	No. of Shares Beneficially Owned Prior to this Offering	Percentage Owned Before this Offering (1)	Percentage Owned After this Offering (2)
Holders of more than 5% of our voting securities:			
Knorr-Bremse (1)	4,928,990	40.4%	31.3%
Foresight Autonomous Holdings Ltd. (2)	2,318,158	19.1%	14.8%
Directors and senior management who are not 5% holders:			
Elen Katz*	440,000	3.6%	2.8%
Shahar Hania	448,668	3.7%	2.9%
Itschak Shrem * (3)	99,748	0.8%	0.6%
Ofer Naveh	53,108	0.4%	0.3%
Zachi Bar-Yehoshua	32,164	0.3%	0.2%
Shmuel Donnerstein* (4)	312,664	2.5%	2.0%
Eli Yoresh * (5)	16,852	0.1%	0.1%
Ofer Grisaro	-	-	-
Amit Klir	-	-	-
Mario Beinert* (6)	-	-	-
Maximilian Eichhorn* (7)	-	-	-
All directors and senior management as a group (11persons)	1,403,204	11.2%	8.7%
Director Nominees			
Yossi Daskal	-	-	-
Inball Kreiss	-	-	-
Regina Ungar	-	-	-

* Indicates director of the Company.

(1) Consists of (i) 1,935,604 ordinary shares, (ii) 2,707,672 ordinary shares issuable upon conversion of Preferred A shares, and (iii) 142,857 ordinary shares and warrants to purchase 142,857 ordinary shares issuable upon conversion of a SAFE investment at an assumed conversion price equal to $5.00, the midpoint of the price range set forth on the cover page of this prospectus. The shareholder is Knorr-Bremse Systeme für Schienenfahrzeuge GmbH, which is a 100% subsidiary of Knorr-Bremse AG which is a German company publicly traded on the Frankfurt Stock Exchange. Dr. Jan Michael Mrosik is the chief executive officer of Knorr-Bremse AG.

(2) Consists of (i) 2,203,872 ordinary shares, and (ii) 57,143 ordinary shares and warrants to purchase 57,143 ordinary shares issuable upon conversion of a SAFE investment at an assumed conversion price equal to $5.00, the midpoint of the price range set forth on the cover page of this prospectus. Foresight Autonomous Holdings Ltd. is an Israeli company publicly traded on the Nasdaq. The chief executive officer of Foresight is Haim Siboni, and its address is 7 Golda Meir, Ness Ziona 7403650 Israel.

(3) Consists of (i) 43,208 ordinary shares, held by Yaad Consulting and Management Services Ltd., a company wholly owned by Mr. Shrem, (ii) options to purchase 42,108 ordinary shares exercisable within 60 days of March 21, 2022 held by Mr. Shrem, and (iii) 14,432 ordinary shares held by Shrem Zilberman Group Ltd., a company jointly controlled by Mr. Shrem and another individual.

(4) Consists of (i) 34,232 ordinary shares, and (ii) 139,216 options vested, and (iii) 139,216 options accelerated upon the closing of this offering.

(5) Mr. Yoresh is the chief financial officer of Foresight Autonomous Holdings Ltd.

(6) Mr. Beinert is the Vice President of RailServices at Knorr-Bremse’s Rail Division.

(7) Mr. Maximillian is the Vice President Digital Products and Services of Knorr-Bremse’s Rail Systems Division.

Record Holders

As of March 24, 2022, there were 110 holders of record of our ordinary shares.

We are not controlled by another corporation, by any foreign government or by any natural or legal persons, except that that Knorr-Bremse beneficially owns 40.4%, and Foresight beneficially owns 19.1% of our outstanding ordinary shares as of the date of this prospectus. There are no arrangements known to us which would result in a change in control of our company at a subsequent date.

RELATED PARTY TRANSACTIONS

The following is a description of the material terms of those transactions with related parties to which we are party since January 1, 2019.

Participation in this Offering

Certain of our existing shareholders, including entities affiliated with certain of our directors and beneficial owners of greater than 5% of our share capital, have indicated an interest in purchasing up to an aggregate of $2.5 million of units in this offering at the initial public offering price per unit. Based on an assumed initial public offering price of $5.00 per unit, which is the midpoint of the price range set forth on the cover page of this prospectus, these shareholders would purchase up to an aggregate of 500,000 of the 3,550,000 units in this offering based on these indications of interest. However, because indications of interest are not binding agreements or commitments to purchase, these shareholders may determine to purchase more, less or no units in this offering. It is also possible that these shareholders could indicate an interest in purchasing more units. In addition, the underwriter could determine to sell fewer units to any of these shareholders than the shareholders indicate an interest in purchasing or not to sell any units to these shareholders. The foregoing discussion and tables do not reflect any potential purchases by these shareholders.

Employment Agreements

We have entered into written employment or services agreements with each of our executive officers. All of these agreements contain customary provisions regarding noncompetition, confidentiality of information and assignment of inventions. However, the enforceability of the noncompetition provisions may be limited under applicable law. In addition, we have entered into agreements with each executive officer and director pursuant to which we have agreed to indemnify each of them up to a certain amount and to the extent that these liabilities are not covered by directors and officers insurance.

Options

Since our inception we have granted options to purchase our ordinary shares to certain of our officers and directors. Such option agreements may contain acceleration provisions upon certain merger, acquisition, or change of control transactions. We describe our Option Plan under “Management—Equity Incentive Plan.” If the relationship between us and an executive officer or a director is terminated, except for cause (as defined in the various Option Plan agreements), options that are vested will generally remain exercisable for one month following the date of such termination if we initiate such termination or two weeks following the date of such termination, if an executive officer or a director initiates such termination.

Registration Rights

We are a party to an amended and restated investors rights agreement, dated as of October 13, 2020, or Investors Rights Agreement, with our founders, or the Founders, and two of our major shareholders, Knorr-Bremse Systeme für Schienenfahrzeuge GmbH, a company incorporated under the laws of Germany, or KB, and Foresight Autonomous Holdings Ltd., or Foresight, and, together with KB and the Founders, the Right Holders. Pursuant to the Investors Rights Agreement, the Right Holders are entitled to certain registration rights following the closing of this offering. See “Shares Eligible For Future Sale – Registration Rights” for additional information regarding these registration rights

Knorr-Bremse

On March 18, 2019 we entered into an investment agreement, or the March 2019 Investment Agreement, with Knorr-Bremse Systeme für Schienenfahrzeuge GmbH, or Knorr-Bremse, according to which, we issued to Knorr-Bremse an aggregate amount of 40,984 ordinary shares, at a price of $244 per share.

In addition, as part of the March 2019 Investment Agreement, we also granted Knorr-Bremse warrants to purchase 14,903 ordinary shares with an exercise price of $244, which can be exercised in the event of the exercise of certain warrants held by our other shareholders. Warrants to purchase 3,007 ordinary shares have been exercised in consideration of approximately $734,000. All the remaining warrants expired.

On October 13, 2020, we entered into an additional investment agreement with Knorr-Bremse, or the Additional Investment Agreement, which was amended on December 2, 2021 pursuant to which we issued to Knorr-Bremse 51,282 Preferred A shares at a price of $195 per share.

Pursuant to the Additional Investment Agreement, Knorr-Bremse agreed that in the event that we do not complete additional capital raising in the amount of at least $3 million by September 30, 2021, we shall have an option during the period from October 1, 2021 to March 31, 2022, to demand that Knorr-Bremse shall invest in us an additional amount of $5 million in consideration for the allotment of 25,641 Preferred A shares, at a price of $195 per share, subject to certain limitations. On February 14, 2022, we and Knorr-Bremse signed a second amendment to the Additional Investment Agreement according to which from February 14, 2022 we are entitled to exercise the option in two installments as follows: (i) to call for up to $2,000,000 out of the option amount no later than March 31, 2022; and (ii) to call for up to $2,286,000 out of the option amount no later than June 30, 2022. The aforesaid option shall expire on the closing of our initial public offering if such shall occur prior to June 30, 2022.

On March 6, 2022, we issued to Knorr-Bremse, a total of 10,256 Preferred A shares at a price of $195 per share, after we called an amount of $2,000,000 out of the option amount.

In June 2021, we reached a co-operation and business development agreement with Knorr-Bremse India Pvt. Ltd., in which Knorr-Bremse India Pvt. Ltd. provided a joint proposal to a tender published by the Ministry of Railways of the Government of India for obstacle detection systems for trains in the RV2000 system market segment. As part of the joint bid Knorr-Bremse India Pvt. Ltd. provided a guarantee of $27,000 to secure our proposal. On January 10, 2022, Knorr-Bremse informed us they did not receive the tender. However, the parties intend to collaborate on future projects. See “Business – Commercial Agreements” for additional commercial agreements.

SAFE

In January 2022, we entered into a SAFE with two of our current shareholders providing for financing in the aggregate amount of $1,000,000 (KB in the amount of $714,286 and Foresight in the amount of $285,714) which was subsequently amended in March 2022. The SAFE provides for the conversion of the investment amount into our ordinary shares under certain circumstances including in particular in the case of an initial public offering such that immediately prior to the closing of this offering the investment amount shall automatically convert into such number of our units issued in the initial public offering equal to the initial public offering price. The warrants which shall be issued shall have the same terms as the warrants to be issued in the initial public offering except such warrants shall be unregistered and shall not be tradeable.

Certain Relationships

From time to time, we do business with other companies affiliated with our principal shareholders, as described above. We believe that all such arrangements have been entered into in the ordinary course of business.

DESCRIPTION OF SHARE CAPITAL

As of March 24, 2022, our authorized share capital consisted of 99,900,000 ordinary shares, par value NIS 0.01 per share, of which 9,158,996 ordinary shares were issued and outstanding as of such date, after giving effect to the issuance of bonus shares described elsewhere in this prospectus, and our authorized share capital consisted of 100,000 Preferred A Shares, par value 0.01 per share, of which 61,538 Preferred A Shares (to be automatically converted to 2,707,672 ordinary shares immediately prior to the completion of this offering) were issued and outstanding as of such date. All of our outstanding ordinary shares and Preferred A Shares have been validly issued, fully paid and non-assessable. Our ordinary shares are not redeemable and are not subject to any preemptive right. All descriptions of our share capital set forth herein give effect to the issuance of bonus shares under Israeli law to all of our shareholders on a basis of 43 bonus shares for each ordinary share outstanding (equivalent to a 44-for-1 share split) immediately prior to the completion of this offering and the customary adjustments to our outstanding options and warrants. Pursuant to our amended and restated articles of association to be in effect upon completion of the offering, our authorized share capital will consist of 100,000,000 ordinary shares, par value NIS 0.01 per share.

In the last three years, we have issued an aggregate of 3,021,612 ordinary shares and 61,538 Preferred A shares (to be automatically converted to 2,706,672 ordinary shares immediately prior to the completion of this offering) in several private placements and pursuant to the exercise of warrants issued in those and previous placements, for aggregate gross proceeds of approximately $25,756,000.

In addition to ordinary shares, in the last three years, we have issued warrants to purchase an aggregate of 851,180 ordinary shares to investors, of which 523,424 warrants have expired, 132,308 warrants have been exercised and 195,448 are still outstanding. The exercise prices of the warrants range from $0.003 per shares to $5.545 per share.

Our registration number with the Israeli Registrar of Companies is 515441541.

Purposes and Objects of the Company

Our purpose is set forth in Section of our amended and restated articles of association to be in effect upon the completion of this offering and includes every lawful purpose.

The Powers of the Directors

Our board of directors shall direct our policy and shall supervise the performance of our chief executive officer and his actions. Our board of directors may exercise all powers that are not required under the Companies Law or under our amended and restated articles of association to be exercised or taken by our shareholders.

Rights Attached to Shares

Our ordinary shares shall confer upon the holders thereof:

- equal right to attend and to vote at all of our general meetings, whether regular or special, with each ordinary share entitling the holder thereof, which attend the meeting and participate at the voting, either in person electronically or by a proxy or by a written ballot, to one vote;
- equal right to participate in distribution of dividends, if any, whether payable in cash or in bonus shares, in distribution of assets or in any other distribution, on a per share pro rata basis; and
- equal right to participate, upon our dissolution, in the distribution of our assets legally available for distribution, on a per share pro rata basis.

Election of Directors

Pursuant to our amended and restated articles of association to be in effect upon the completion of this offering, our directors are appointed by shareholders holding at least 10% of the issued share capital of the company and in such case the appointment will be for undefined period, subject to the provisions of the amended and restated articles, or elected at an annual general meeting and/or a special meeting of our shareholders and in such case they shall serve on the board of directors until the next annual general meeting (except for external directors) or until they resign or until they cease to act as board members pursuant to the provisions of our amended and restated articles of association or any applicable law, upon the earlier. In addition, our amended and restated articles of association to be in effect upon the completion of this offering allow our board of directors to appoint directors to fill vacancies and/or as an addition to the board of directors (subject to the maximum number of directors) to serve until the next annual general meeting or earlier if required by our amended and restated articles of association or applicable law, upon the earlier. External directors are elected for an initial term of three years and may be removed from office pursuant to the terms of the Companies Law. See “Management—Board Practices—External Directors.”

Annual and Special Meetings

Under the Companies Law, we are required to hold an annual general meeting of our shareholders once every calendar year, at such time and place which shall be determined by our board of directors, that must be no later than 15 months after the date of the previous annual general meeting. All meetings other than the annual general meeting of shareholders are referred to as special general meetings. Our board of directors may call special meetings whenever it sees fit and upon the written request of: (a) any two of our directors or such number of directors equal to one quarter of the members of our board of directors; and/or (b) one or more shareholders holding, in the aggregate, either (i) 5% or more of our outstanding voting power or (ii) 5% or more of our outstanding issued shares and 1% of our outstanding voting power.

Resolutions regarding the following matters must be passed at a general meeting of our shareholders:

- amendments to our amended and restated articles of association;
- appointment or termination of our auditors;
- appointment of directors, including external directors;
- approval of acts and transactions requiring general meeting approval pursuant to the provisions of the Companies Law and any other applicable law;
- increases or reductions of our 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 provided at least 21 days prior to the meeting, and if the agenda of the meeting includes, among other matters, the appointment or removal of directors, the approval of transactions with office holders or interested or related parties, or an approval of a merger, notice must be provided at least 35 days prior to the meeting.

Quorum

As permitted under the Companies Law, under our amended and restated articles of association to be in effect upon the completion of this offering, the quorum required for our general meetings consists of at least two shareholders present in person, by proxy or written ballot, who hold or represent between them at least 50% of the total outstanding voting rights. If within half an hour of the time set forth for the general meeting a quorum is not present, the general meeting shall stand adjourned the same day of the following week, at the same hour and in the same place, or to such other date, time and place as prescribed in the notice to the shareholders and in such adjourned meeting, if no quorum is present within half an hour of the time arranged, any number of shareholders participating in the meeting, shall constitute a quorum.

Adoption of Resolutions

Our amended and restated articles of association to be in effect upon the completion of this offering provide that all resolutions of our shareholders require a simple majority vote, unless otherwise required under the Companies Law or our amended and restated articles of association. A shareholder may vote in a general meeting in person, by proxy or by a written ballot.

Changing Rights Attached to Shares

Unless otherwise provided by the terms of the shares and subject to any applicable law, in order to change the rights attached to any class of shares, such change must be adopted by the board of directors and at a general meeting of the affected class or by a written consent of all the shareholders of the affected class.

The enlargement of an existing class of shares or the issuance of additional shares thereof, shall not be deemed to modify the rights attached to the previously issued shares of such class or of any other class, unless otherwise provided by the terms of the shares.

Limitations on the Right to Own Securities in Our Company

There are no limitations on the right to own our securities. In certain circumstances the warrants and pre-funded warrants being offered hereby have restrictions upon the exercise of such warrants if such exercise would result in the holders thereof owning more than 4.99% or 9.99% of our ordinary shares upon such exercise, as further described below.

Provisions Restricting Change in Control of Our Company

There are no specific provisions of our amended and restated articles of association that would have an effect of delaying, deferring or preventing a change in control of the Company or that would operate only with respect to a merger, acquisition or corporate restructuring involving us. However, as described below, certain provisions of the Companies Law may have such effect.

The Companies Law includes provisions that allow a merger transaction and requires that each company that is a party to the merger have the transaction approved by its board of directors and, unless certain requirements described under the Companies Law are met, a vote of the majority of shareholders, and, in the case of the target company, also a majority vote of each class of its shares. For purposes of the shareholder vote of each party, unless a court rules otherwise, the merger will not be deemed approved if shares representing a majority of the voting power present at the shareholders meeting and which are not held by the other party to the merger (or by any person or group of persons acting in concert who holds 25% or more of the voting power or the right to appoint 25% or more of the directors of the other party) vote against the merger. If, however, the merger involves a merger with a company's own controlling shareholder or if the controlling shareholder has a personal interest in the merger, then the merger is instead subject to the same special majority requirement that governs all extraordinary transactions with controlling shareholders. 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.

The Companies Law also provides that an acquisition of shares in an Israeli public company must be made by means of a "special" tender offer if as a result of the acquisition (1) the purchaser would become a holder of 25% or more of the voting rights in the company, unless there is already another holder of at least 25% or more of the voting rights in the company or (2) the purchaser would become a holder of 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, subject to certain conditions, (2) was from a holder of 25% or more of the voting rights in the company which resulted in the acquirer becoming a holder of 25% or more of the voting rights in the company, or (3) was from a holder of more than 45% of the voting rights in the company which resulted in the acquirer becoming a holder of more than 45% of the voting rights in the company. A "special" tender offer must be extended to all shareholders. In general, a "special" tender offer may be consummated only if (1) at least 5% of the voting power attached to the company's outstanding shares will be acquired by the offeror and (2) the offer is accepted by a majority of the offerees who notified the company of their position in connection with such offer (excluding the offeror, controlling shareholders, holders of 25% or more of the voting rights in the company or anyone on their behalf, or any person having a personal interest in the acceptance of the tender offer). If a special tender offer is accepted, then the purchaser or any person or entity controlling it or under common control with the purchaser or such controlling person or entity may not make a subsequent tender offer for the purchase of shares of the target company and may not enter into a merger with the target company for a period of one year from the date of the offer, unless the purchaser or such person or entity undertook to effect such an offer or merger in the initial special tender offer.

If, as a result of an acquisition of shares, the acquirer will hold more than 90% of an Israeli company's outstanding shares, the acquisition must be made by means of a tender offer for all of the outstanding shares. In general, if less than 5% of the outstanding shares are not tendered in the tender offer and more than half of the offerees who have no personal interest in the offer tendered their shares, all the shares that the acquirer offered to purchase will be transferred to it by operation of law. However, a tender offer will also be accepted if the shareholders who do not accept the offer hold less than 2% of the issued and outstanding share capital of the company or of the applicable class of shares. Shareholders may request appraisal rights in connection with a full tender offer for a period of six months following the consummation of the tender offer, but the acquirer is entitled to stipulate, under certain conditions, that tendering shareholders will forfeit such appraisal rights.

Lastly, Israeli tax law treats some acquisitions, such as stock-for-stock exchanges between an Israeli company and a foreign company, less favorably than U.S. tax laws. For example, Israeli tax law may, under certain circumstances, subject a shareholder who exchanges his ordinary shares for shares in another corporation to taxation prior to the sale of the shares received in such stock-for-stock swap.

Changes in Our Capital

Our amended and restated articles of association to be effective upon the closing of this offering enable us to increase or reduce our share capital. Any such changes are subject to the provisions of the Companies Law and must be approved by a resolution duly passed by our shareholders at a general meeting by voting on such change in the capital.

DESCRIPTION OF THE SECURITIES WE ARE OFFERING

Units

Each unit consists of one ordinary share and a warrant to purchase one ordinary share at an exercise price equal to $5.00 (based on an assumed public offering price of $5.00 per unit, the midpoint of the range set forth on the cover page of this prospectus), which is 100% of the public offering price of the units. The ordinary shares and warrants may be transferred separately immediately upon issuance.

Pre-funded Units

We are offering the pre-funded Units at a price equal to the price per unit, minus $0.001, and the exercise price of each pre-funded warrant included in the pre-funded unit will be $0.001 per ordinary share. Each pre-funded unit consists of one pre-funded warrant to purchase one ordinary share and one warrant to purchase one ordinary share. The pre-funded warrants and warrants may be transferred separately immediately upon issuance.

Ordinary Shares

The material terms and provisions of our ordinary shares are described under the caption “Description of Share Capital” in this prospectus.

Warrants

Warrants Included in the Units and Pre-Funded Units

The following summary of certain terms and provisions of the warrants offered hereby is not complete and is subject to, and qualified in its entirety by, the provisions of the warrant agent agreement between us and , as warrant agent, and the form of warrant, both of which are filed as exhibits to the registration statement of which this prospectus forms a part. Prospective investors should carefully review the terms and provisions set forth in the warrant agent agreement, including the annexes thereto, and form of warrant.

Exercisability. The warrants are exercisable at any time after their original issuance and at any time up to the date that is five years after their original issuance. The warrants will be exercisable, at the option of each holder, in whole or in part by delivering to us a duly executed exercise notice and, at any time a registration statement registering the issuance of the ordinary shares underlying the warrants under the Securities Act is effective and available for the issuance of such shares, by payment in full in immediately available funds for the number of ordinary shares purchased upon such exercise. If a registration statement registering the issuance of the ordinary shares underlying the warrants under the Securities Act is not effective or available the holder may, in its sole discretion, elect to exercise the warrant through a cashless exercise, in which case the holder would receive upon such exercise the net number of ordinary shares determined according to the formula set forth in the Warrant. No fractional shares will be issued in connection with the exercise of a Warrant. In lieu of fractional shares, we will pay the holder an amount in cash equal to the fractional amount multiplied by the exercise price.

Exercise Limitation. A holder will not have the right to exercise any portion of the warrant if the holder (together with its affiliates) would beneficially own in excess of 4.99% of the number of ordinary shares outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of the warrants. However, any holder may increase or decrease such percentage to any other percentage not in excess of 9.99%, provided that any increase in such percentage shall not be effective until 61 days following notice from the holder to us.

Exercise Price. The exercise price per whole ordinary share purchasable upon exercise of the warrants is $ 5.00 per share, which is 100% of the public offering price of the units. The exercise price is subject to appropriate adjustment in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting our ordinary shares and also upon any distributions of assets, including cash, stock or other property to our stockholders.

Transferability. Subject to applicable laws, the warrants may be offered for sale, sold, transferred or assigned without our consent.

Exchange Listing. We have applied to list the ordinary warrants on the Nasdaq Capital Market, under the symbol "RVSNW". No assurance can be given that our application will be approved or that a trading market will develop.

Warrant Agent. The warrants will be issued in registered form under a warrant agent agreement between , as warrant agent, and us. The warrants shall initially be represented only by one or more global warrants deposited with the warrant agent, as custodian on behalf of The Depository Trust Company, or DTC, and registered in the name of Cede & Co., a nominee of DTC, or as otherwise directed by DTC.

Fundamental Transactions. In the event of a fundamental transaction, as described in the warrants and generally including any reorganization, recapitalization or reclassification of our ordinary shares, the sale, transfer or other disposition of all or substantially all of our properties or assets, our consolidation or merger with or into another person, the acquisition of more than 50% of our outstanding ordinary shares, or any person or group becoming the beneficial owner of 50% of the voting power represented by our outstanding ordinary shares, the holders of the warrants will be entitled to receive upon exercise of the warrants the kind and amount of securities, cash or other property that the holders would have received had they exercised the warrants immediately prior to such fundamental transaction without regard to any limitations on exercised contained in the warrants.

Rights as a Stockholder. Except as otherwise provided in the warrants or by virtue of such holder's ownership of our ordinary shares, the holder of a warrant does not have the rights or privileges of a holder of our ordinary shares, including any voting rights, until the holder exercises the warrant.

Governing Law. The warrants are governed by New York law.

Pre-funded Warrants Included in the Pre-funded Units

The following summary of certain terms and provisions of the pre-funded warrants offered hereby is not complete and is subject to, and qualified in its entirety by, the provisions of the warrant agent agreement between us and VStock Transfer, LLC, as warrant agent, and the form of pre-funded warrant, both of which are filed as exhibits to the registration statement of which this prospectus forms a part. Prospective investors should carefully review the terms and provisions set forth in the warrant agent agreement, including the annexes thereto, and form of pre-funded warrant.

The term "pre-funded" refers to the fact that the purchase price of our ordinary shares in this offering includes almost the entire exercise price that will be paid under the pre-funded warrants, except for a nominal remaining exercise price of $0.001. The purpose of the pre-funded warrants is to enable investors that may have restrictions on their ability to beneficially own more than 4.99% (or, upon election of the holder, 9.99%) of our outstanding ordinary Shares following the consummation of this offering the opportunity to make an investment in the Company without triggering their ownership restrictions, by receiving pre-funded warrants in lieu of our ordinary shares which would result in such ownership of more than 4.99% (or 9.99%), and receive the ability to exercise their option to purchase the shares underlying the pre-funded warrants at such nominal price at a later date.

Exercise of Pre-funded Warrants. Each pre-funded warrant is exercisable for one ordinary share, with an exercise price equal to $0.001 per ordinary share, at any time that the pre-funded warrant is outstanding. There is no expiration date for the pre-funded warrants. The holder of a pre-funded warrant will not be deemed a holder of our underlying ordinary shares until the pre-funded warrant is exercised.

Subject to limited exceptions, a holder of pre-funded warrants will not have the right to exercise any portion of its pre-funded warrants if the holder (together with such holder's affiliates, and any persons acting as a group together with such holder or any of such holder's affiliates) would beneficially own a number of ordinary shares in excess of 4.99% (or, at the election of the purchaser prior to the date of issuance, 9.99%) of the ordinary shares then outstanding after giving effect to such exercise.

The exercise price and the number of ordinary shares issuable upon exercise of the pre-funded warrants is subject to appropriate adjustment in the event of recapitalization events, stock dividends, stock splits, stock combinations, reclassifications, reorganizations or similar events affecting our ordinary shares. The pre-funded warrant holders must pay the exercise price in cash upon exercise of the pre-funded warrants, unless such pre-funded warrant holders are utilizing the cashless exercise provision of the pre-funded warrants.

Upon the holder's exercise of a pre-funded warrant, we will issue the ordinary shares issuable upon exercise of the pre-funded warrant within two trading days following our receipt of a notice of exercise, provided that payment of the exercise price has been made (unless exercised to the extent permitted via the "cashless" exercise provision). Prior to the exercise of any pre-funded warrants to purchase ordinary shares, holders of the pre-funded warrants will not have any of the rights of holders of ordinary shares purchasable upon exercise, including the right to vote, except as set forth therein.

The pre-funded warrant holders must pay the exercise price in cash upon exercise of the pre-funded warrants unless there is not an effective registration statement covering the issuance of the shares underlying the pre-funded warrants (in which case, the pre-funded warrants may only be exercised via a "cashless" exercise provision).

The pre-funded holder will not have the right to exercise any portion of the pre-funded warrant if the holder (together with its affiliates) would beneficially own in excess of 4.99% of the number of ordinary shares outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of the pre-funded warrants. However, any pre-funded warrant holder may increase or decrease such percentage to any other percentage not in excess of 9.99%, provided that any increase in such percentage shall not be effective until 61 days following notice from the holder to us.

Fundamental Transaction. In the event of a fundamental transaction, as described in the pre-funded warrants and generally including any reorganization, recapitalization or reclassification of our ordinary shares, the sale, transfer or other disposition of all or substantially all of our properties or assets, our consolidation or merger with or into another person, the acquisition of more than 50% of our outstanding ordinary shares, or any person or group becoming the beneficial owner of 50% of the voting power represented by our outstanding ordinary shares, the holders of the pre-funded warrants will be entitled to receive upon exercise of the pre-funded warrants the kind and amount of securities, cash or other property that the holders would have received had they exercised the pre-funded warrants immediately prior to such fundamental transaction without regard to any limitations on exercised contained in the pre-funded warrants.

Warrant Agent. The pre-funded warrants will be issued in registered form under a warrant agent agreement between VStock Transfer, LLC, as warrant agent, and us. The pre-funded warrants shall initially be represented only by one or more global warrants deposited with the warrant agent, as custodian on behalf of The Depository Trust Company, or DTC, and registered in the name of Cede & Co., a nominee of DTC, or as otherwise directed by DTC.

Exchange Listing. We do not intend to apply to list the pre-funded warrants on any securities exchange or other trading system.

Underwriter's Warrants

The material terms and provisions of the underwriter's warrants are described under the caption "Underwriting".

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 no sale of pre-funded units, that the underwriter does not exercise their over-allotment option with respect to this offering and assuming no exercise of options and warrants outstanding following the offering, we will have an aggregate of 15,616,668 ordinary shares outstanding upon completion 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), 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. Because substantially all of these shares were sold outside the United States to persons residing outside the United States at the time, they also will be freely tradable without restriction or further registration, except that shares held by affiliates must be sold under an exemption under the Securities Act, such as Rule 144, and except for the lock-up restrictions described below. Further, certain of our outstanding shares are subject to the lock-up agreements.

All of the units sold in this offering will be eligible for immediate sale upon the closing of this offering except for shares sold to affiliates. Certain of our existing shareholders, including entities affiliated with certain of our directors and beneficial owners of greater than 5% of our share capital, have indicated an interest in purchasing up to an aggregate of $2.5 million of units in this offering at the initial public offering price per unit. However, because indications of interest are not binding agreements or commitments to purchase, the underwriter may determine to sell more, less or no units in this offering to any of these shareholders, or any of these shareholders may determine to purchase more, less or no units in this offering. The underwriter will receive the same underwriting discount on any units purchased by these shareholders as they will on any other units sold to the public in this offering.

Lock-up agreements

Prior to the completion of this offering all of our directors and executive officers and shareholders holding at least 10% of the outstanding shares will have signed lock-up agreements pursuant to which, subject to certain exceptions, they have agreed not to sell or otherwise dispose of their ordinary shares (or their ordinary shares issuable upon exercise of the warrants) for a period of one hundred eighty (180) days after the date of the closing of the offering of the ordinary shares without the prior written consent of Aegis Capital Corp., or Aegis.

Registration Rights

On October 13, 2020, we entered into the Investor Rights Agreement with the Right Holders. Pursuant to the Investor Rights Agreement, we granted certain registration rights to the Right Holders.

Demand Registration Rights

Beginning on six months from the closing of this offering and until the end of five years from the closing of this offering, Right Holders who jointly hold more than 40% of the shares that can be registered under the Investor Rights Agreement, apart from the Founders, have the right to demand that we list their shares for trading, subject to several conditions and limitations set forth in the Investors Rights Agreement.

Short-Form Registration Rights

Following this offering, and pursuant to the Investors Rights Agreement, the Right Holders have the right to demand the listing of their shares under a shelf prospectus, after we become entitled to register a shelf prospectus, subject to several conditions and limitations as set forth in the Investors Rights Agreement.

Piggyback Registration Rights

Pursuant to the Investors Rights Agreement, if we register any of our securities either for our own account or for the account of other security holders, the holders of these shares are entitled to include their shares in the registration. Subject to certain exceptions contained in the Investors Rights Agreement, we and the underwriter may limit the number of shares included in the underwritten offering to the number of shares which we and the underwriter determine in our sole discretion will not jeopardize the success of the offering.

Indemnification

Our Investor Rights Agreement contains customary cross-indemnification provisions, under which we are obligated to indemnify holders of registrable securities in the event of material misstatements or omissions in the registration statement attributable to us, and they are obligated to indemnify us for material misstatements or omissions attributable to them.

Rule 144

In general, under Rule 144, beginning 90 days after the date of this prospectus, any person who is not our affiliate and has held their shares for at least six months, including the holding period of any prior owner other than one of our affiliates, may sell shares, subject to the availability of current public information about us. In addition, under Rule 144, any person who is not an affiliate of ours and has held their shares for at least one year, including the holding period of any prior owner other than one of our affiliates, would be entitled to sell an unlimited number of shares immediately upon the closing of this offering without regard to whether current public information about us is available.

Beginning 90 days after the date of this prospectus, a person who is our affiliate or who was our affiliate at any time during the preceding three months and who has beneficially owned restricted securities for at least six months, including the holding period of any prior owner other than one of our affiliates, is entitled, subject to certain conditions, to sell a number of shares within any three-month period that does not exceed the greater of:

- 1% of the number of ordinary shares then outstanding, which will equal 139,483 shares; or
- the average weekly trading volume of our ordinary shares on the Nasdaq Capital Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

If either an affiliate or non-affiliate acquires “restricted securities,” those securities will also be subject to holding period requirements.

Upon expiration of the six month lock-up period described above, substantially all of our outstanding ordinary shares will either be unrestricted or will be eligible for sale under Rule 144. We cannot estimate the number of our ordinary shares that our existing shareholders will elect to sell.

Regulation S

Regulation S under the Securities Act provides that securities owned by any person may be sold without registration in the United States, provided that the sale is effected in an offshore transaction and no directed selling efforts are made in the United States (as these terms are defined in Regulation S), subject to certain other conditions. In general, this means that our ordinary shares may be sold in some manner outside the United States without requiring registration in the United States.

Rule 701

In general, under Rule 701 of the Securities Act as currently in effect, each of our employees, consultants or advisors who purchases our ordinary shares from us in connection with a compensatory share plan or other written agreement executed prior to the completion of this offering is eligible to resell such ordinary shares in reliance on Rule 144, but without compliance with some of the restrictions, including only a 90-day holding period, contained in Rule 144.

Form S-8 Registration Statements

Following the completion of this offering, we intend to file one or more registration statements on Form S-8 under the Securities Act to register ordinary shares reserved for issuance under our Option Plan. The registration statement on Form S-8 will become effective automatically upon filing. ordinary shares issued to individuals upon exercise of a share option and registered under the Form S-8 registration statement will, subject to vesting and lock-up provisions and Rule 144 volume limitations applicable to our affiliates, be available for sale in the open market immediately unless they are subject to the six month lock-up or, if subject to the lock-up, immediately after the six month lock-up period expires.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL SHARE TRANSFER RESTRICTION MATTERS THAT MAY BE OF IMPORTANCE TO A PROSPECTIVE INVESTOR. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN LEGAL ADVISOR REGARDING THE PARTICULAR SECURITIES LAWS AND TRANSFER RESTRICTION CONSEQUENCES OF PURCHASING, HOLDING, AND DISPOSING OF THE ORDINARY SHARES, INCLUDING THE CONSEQUENCES OF ANY PROPOSED CHANGE IN APPLICABLE LAWS.

TAXATION

The following description is not intended to constitute a complete analysis of all tax consequences relating to the ownership or disposition of our ordinary shares. You should consult your own tax advisor concerning the tax consequences of your particular situation, as well as any tax consequences that may arise under the laws of any state, local, foreign, including Israeli, or other taxing jurisdiction.

ISRAELI TAX CONSIDERATIONS AND GOVERNMENT PROGRAMS

The following is a brief summary of the material Israeli tax laws applicable to us and certain Israeli Government programs. The following also contains a discussion of material Israeli tax consequences concerning the ownership and disposition of our ordinary shares purchased by investors in this offering. To the extent that the discussion is based on new tax legislation which has not been subject to judicial or administrative interpretation, there can be no assurance that the tax authorities will accept the views expressed in this discussion. This summary is based on laws and regulations in effect as of the date hereof, and is not intended, and should not be taken, as legal or professional tax advice and is not exhaustive of all possible tax considerations.

General Corporate Tax Structure in Israel

Israeli resident companies are generally subject to corporate tax. The current corporate tax rate, as from 2018 is 23% However, the effective tax rate payable by a company that derives income from a Preferred Enterprise (as discussed below) may be considerably less.

Capital gains derived by an Israeli resident company are generally subject to tax at the prevailing corporate tax rate. Under Israeli tax legislation, a corporation will be considered as an "Israeli resident company" if it meets one of the following: (i) it was incorporated in Israel; or (ii) the control and management of its business are exercised in Israel.

Law for the Encouragement of Industry (Taxes), 5729-1969

The Law for the Encouragement of Industry (Taxes), 5729-1969, generally referred to as the Industry Encouragement Law, provides several tax benefits for "Industrial Companies."

The Industry Encouragement Law defines an "Industrial Company" as an Israeli resident-company, of which 90% or more of its income in any tax year, other than income from defense loans, is derived from an "Industrial Enterprise" located in Israel owned by it. An "Industrial Enterprise" is defined as an enterprise whose principal activity in a given tax year is industrial production.

The following corporate tax benefits, among others, are available to Industrial Companies:

- Amortization of the cost of purchased a patent, rights to use a patent, and know-how, which are used for the development or promotion of the Industrial Enterprise, over an eight-year period and certain other intangible property rights (other than goodwill), commencing on the year in which such rights were first exercised;

- Under limited conditions, an election to file consolidated tax returns with related Israeli Industrial Companies; and

- A straight-line deduction of expenses related to a public offering over a three–year period commencing in the year of offering.

Eligibility for benefits under the Industry Encouragement Law is not contingent upon approval of any governmental authority. There is no assurance that we qualify as an Industrial Company or that the benefits described above will be available in the future.

The Encouragement of Research, Development and Technological Innovation in the Industry Law, 5744-1984

Under the Encouragement of Research, Development and Technological Innovation in the Industry Law, 5744-1984, or the Innovation Law, and its related regulations, research and development programs which meet specified criteria and are approved by the Israeli Innovation Authority, or the IIA, are eligible for grants of up to 50% of the project's expenditure, as determined by the research committee, in exchange for the payment of royalties from the revenues generated from the sale of products and related services developed, in whole or in part, pursuant to, or as a result of, a research and development program funded by the IIA. The royalties are generally at a range of 3.0% to 5.0% of revenues until the entire grant is repaid, together with an annual interest (as determined in the Innovation Law). Following the full payment of such royalties and interest, there is generally no further liability for royalty payments. Nonetheless, the restrictions under the Innovation Law (as generally specified below) will continue to apply even after our company has repaid the grants, including accrued interest, in full.

The main obligations under the Innovation Law which are applicable to us as a grant recipient are:

Local manufacturing obligation: The terms of the Innovation Law require that the manufacture of products developed with IIA grants be performed in Israel. Manufacturing activity may not be transferred outside of Israel, unless the prior approval of the IIA is received. However, this does not restrict the export of products that incorporate the funded technology. Ordinarily, as a condition to obtaining approval to manufacture outside Israel, we would be required to pay royalties at an increased rate (usually 1% in addition to the standard rate) and increased royalties cap between 120% and 300% of the grants, depending on the manufacturing volume that is performed outside Israel. The transfer of no more than 10% of the manufacturing capacity in the aggregate outside of Israel is exempt under the Innovation Law from obtaining the prior approval of the IIA. A company requesting funds from the IIA also has the option of declaring in its IIA grant application its intention to perform part of its manufacturing outside Israel, thus avoiding the need to obtain additional approval.

Transfer of know-how outside of Israel: The know-how developed within the framework of the IIA plan may not be transferred to third parties outside Israel without the prior approval of the IIA. The approval, however, is not required for the export of any products developed using grants received from the IIA. The IIA approval to transfer know-how created, in whole or in part, in connection with an IIA-funded project, to a third party outside Israel is subject to payment of a redemption fee to the IIA calculated according to a formula provided under the Innovation Law that is based, in general, on the ratio between the aggregate IIA grants to the company's aggregate investments in the project that was funded by these IIA grants, multiplied by the transaction consideration. The regulations promulgated under the Innovation Law establish a cap of the redemption fee payable to the IIA under the above mentioned formulas and differentiate between two situations: (i) in the event that the funded company sells its IIA funded know-how, in whole or in part, or is sold as part of an merger and acquisition, or M&A, transaction, and subsequently ceases to conduct business in Israel, the maximum redemption fee under the above mentioned formulas will be no more than six times the total grants received from the IIA, including accrued interest; (ii) in the event that following the transactions described above the company undertakes to continue its research and development activity in Israel for at least three years following such transfer and maintain at least 75% of its research and development staff employees it had for the six months before the know-how was transferred, while keeping the same scope of employment for such research and development staff, then the company is eligible for a reduced cap of the redemption fee of no more than three times the amounts received (plus accrued interest) for the applicable know-how being transferred, or the entire amount received from the National Authority for Technological Innovation, or NATI, as applicable.

Upon payment of such redemption fee, the know-how and the production rights for the products supported by such funding cease to be subject to the Innovation Law. Transfer of such funded know-how to an Israeli entity is subject to the IIA approval and to an undertaking of the recipient Israeli entity to comply with the provisions of the Innovation Law and related regulations, including the restrictions on the transfer of know-how and the obligation to pay royalties, as further described in the Innovation Law and related regulations.

Licensing rules: In May 2017, the IIA issued new rules for licensing know-how developed with the IIA's funding outside of Israel, or the Licensing Rules, which allow a company to enter into licensing arrangements or grant other rights in know-how developed under the IIA's programs outside of Israel, subject to the prior consent of the IIA and payment of license fees, calculated in accordance with the Licensing Rules. The payment of the license fees will not discharge a company from the obligations to pay royalties or other payments to the IIA.

Certain reporting obligations: A recipient of grants under the Innovation Law is required to notify the IIA of certain events enumerated in the Innovation Law. In addition, the IIA may from time to time audit sales of products by companies which received funding from the IIA and this may lead to additional royalties being payable on additional product candidates.

We have not received any grants from the IIA. In the future, we may apply for such grants. In the event that a company has received IIA grants, the abovementioned restrictions and requirements for payment may impair the ability of such a company to sell its technology outside of Israel, or to outsource manufacturing or otherwise transfer know-how outside Israel and may require it to obtain the approval or the IIA for certain actions and transactions and pay additional royalties or other payments to the IIA. If such a company fails to comply with the Innovation Law, it may be subject to mandatory repayment of grants, together with interest and penalties, as well as be exposed to criminal charges.

Tax Benefits for Research and Development under the Encouragement of Industrial Research and Development Law, 5744-1984

Israeli tax law 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 expenditures are approved by the relevant Israeli government ministry, determined by the field of research;
- The research and development must be for the promotion of the company; and
- The research and development is carried out by or on behalf of the company seeking such tax deduction.

The amount of such deductible expenses is reduced by the sum of any funds received through government grants for the finance of such scientific research and development projects. No deduction under these research and development deduction rules is allowed if such deduction is related to an expense invested in an asset depreciable under the general depreciation rules of the Ordinance. Expenditures related to scientific research and development that were not approved are deductible in equal amounts over three years.

From time to time we may apply the IIA for approval to allow a tax deduction for all research and development expenses during the year incurred. There can be no assurance that such application will be accepted.

Law for the Encouragement of Capital Investments, 5719-1959

The Law for the Encouragement of Capital Investments, 5719-1959, generally referred to as the Investment Law, provides certain incentives for capital investments in production facilities (or other eligible assets).

The Investment Law was significantly amended effective as of April 1, 2005, as of January 1, 2011, and as of January 1, 2017 (the “2017 Amendment”). The 2017 Amendment introduces new benefits for Technology Enterprises, alongside the existing tax benefits.

Tax Benefits Under the 2017 Amendment

The 2017 Amendment was enacted as part of the Economic Efficiency Law that was published on December 29, 2016, and is effective as of January 1, 2017. 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 benefits programs under the Investment Law.

The 2017 Amendment provides that a technology company satisfying certain conditions will qualify as a "Preferred Technological Enterprise" and will thereby 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 Company will enjoy a reduced corporate tax rate of 12% on capital gain derived from the sale of certain "Benefitted Intangible Assets" (as defined in the Investment Law) to a related foreign company if the Benefitted Intangible Assets were acquired from a foreign company on or after January 1, 2017, for at least NIS 200 million, and the sale receives prior approval from the IIA.

The 2017 Amendment further provides that a technological company satisfying certain conditions (including a group turnover of at least NIS 10 billion) will qualify as a "Special Preferred Technological Enterprise" and will thereby enjoy a reduced corporate tax rate of 6% on "Preferred Technological Income" regardless of the company's geographic location within Israel. In addition, a Special Preferred Technological Enterprise will enjoy a reduced corporate tax rate of 6% on capital gain derived from the sale of certain "Benefitted Intangible Assets" to a related foreign company if the Benefitted Intangible Assets were either developed by the Special Preferred Technological Enterprise or acquired from a foreign company on or after January 1, 2017, and the sale received prior approval from IIA. A Special Preferred Technological Enterprise that acquires Benefitted Intangible Assets from a foreign company for more than NIS 500 million will be eligible for these benefits for at least ten years, subject to certain approvals as specified in the Investment Law.

Dividends distributed by a Preferred Technological Enterprise or a Special Preferred Technological Enterprise, paid out of Preferred Technological Income, are generally subject to withholding tax at source at the rate of 20% or such lower rate as may be provided in an applicable tax treaty. However, if such dividends are paid to an Israeli company, no tax is required to be withheld. If such dividends are distributed to a foreign company and other conditions are met, the withholding tax rate will be 4%.

If in the future we generate taxable income, to the extent that we qualify as a "Preferred Company," the benefits provided under the Investment Law could potentially reduce our corporate tax liabilities.

Taxation of our Shareholders

Capital Gains

Israeli capital gain tax is imposed on the disposal of capital assets by an Israeli resident, and on the disposal of such assets by a non-Israeli resident if those assets are either (i) located in Israel; (ii) are shares or a right to a share in an Israeli resident corporation, or (iii) represent, directly or indirectly, rights to assets located in Israel. The Israeli Income Tax Ordinance of 1961 (New Version), or the Ordinance, distinguishes between "Real Gain" and the "Inflationary Surplus." The Inflationary Surplus is a portion of the total capital gain which is equivalent to the increase of the relevant asset's purchase price which is attributable to the increase in the Israeli consumer price index or the foreign exchange rate differences in certain cases, between the date of purchase and the date of sale. The Real Gain is the excess of the total capital gain over Inflationary Surplus. Inflationary Surplus generated from December 31, 1993, is not subject to tax in Israel.

Real Gain accrued by individuals on the sale of our ordinary shares will be taxed at the rate of 25%. However, if the individual shareholder is a "Substantial Shareholder" (i.e., a person who holds, directly or indirectly, alone or together with such person's relative or another person who collaborates with such person on a permanent basis, 10% or more of one of the Israeli resident company's "means of control." "Means of control" generally includes the right to vote, receive profits, nominate a director or an officer, receive assets upon liquidation, or order someone who holds any of the aforesaid rights how to act, and all regardless of the source of such right) at the time of sale or at any time during the preceding 12 months period, such gain will be taxed at the rate of 30%.

Real Capital Gain derived by corporations will be generally subject to a corporate tax rate of 23% (in 2021).

Capital Gains Taxes is Applicable also to Non-Israeli Resident Shareholders.

A non-Israeli resident who derives capital gains from the sale, exchange or disposition of shares in an Israeli resident company listed on a non-Israeli stock exchange may be exempt from Israeli tax so long as the following cumulative conditions are met: (i) the shares were purchased upon or after the registration of the securities on the stock exchange, (ii) the seller does not have a permanent establishment in Israel to which the derived capital gain is attributed, and (iii) the capital gains are neither subject to section 101 of the Ordinance, nor to the Israeli Income Tax Law (Inflationary Adjustments) 5745-1985. However, non-Israeli corporations will not be entitled to the foregoing exemption if Israeli residents (i) have a controlling interest of more than 25% in such non-Israeli corporation, or (ii) are the beneficiaries of or are entitled to 25% or more of the revenues or profits of such non-Israeli corporation, whether directly or indirectly. Furthermore, such exemption is not applicable to a person whose gains from selling or otherwise disposing of the securities are deemed to be business income.

Additionally, a sale of shares by a non-Israeli resident may be exempt from Israeli capital gains tax under the provisions of an applicable tax treaty (subject to the receipt in advance of a valid certificate from the Israel Tax Authority, or the ITA). For example, under Convention Between the Government of the United States of America and the Government of the State of Israel with respect to Taxes on Income, as amended, or the U.S.-Israel Tax Treaty, the sale, exchange or other disposition of shares by a shareholder who is a United States resident (for purposes of the treaty) holding the shares as a capital asset and is entitled to claim the benefits afforded to such a resident by the U.S.-Israel Tax Treaty, or a Treaty U.S. Resident, is generally exempt from Israeli capital gains tax unless either: (i) the capital gain arising from such sale, exchange or disposition is attributed to real estate located in Israel; (ii) the capital gain arising from such sale, exchange or disposition is attributed to royalties; (iii) the capital gain arising from the such sale, exchange or disposition is attributed to a permanent establishment of the Treaty U.S. Resident maintained in Israel, under certain terms; (iv) such Treaty U.S. Resident holds, directly or indirectly, shares representing 10% or more of the voting capital during any part of the 12-month period preceding the 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 of these cases, the sale, exchange or disposition of our ordinary shares would be subject to Israeli tax, to the extent applicable. However, under the U.S.-Israel Tax Treaty, such Treaty U.S. Resident would be permitted to claim a credit for the tax against the U.S. federal income tax imposed with respect to the sale, exchange or disposition, subject to the limitations in U.S. laws applicable to foreign tax credits. The United States-Israel Tax Treaty does not provide such credit against any U.S. state or local taxes.

In some instances where our shareholders may be liable for Israeli tax on the sale of their ordinary shares, the payment of the consideration may be subject to the withholding of Israeli tax at source. Shareholders may be required to demonstrate that they are exempt from tax on their capital gains in order to avoid withholding at source at the time of sale. Specifically, in transactions involving a sale of all of the shares of an Israeli resident company, in the form of a merger or otherwise, the Israeli Tax Authority may require from shareholders who are not liable for Israeli tax to sign declarations in forms specified by this authority or obtain a specific exemption from the Israeli Tax Authority to confirm their status as non-Israeli residents, and, in the absence of such declarations or exemptions, may require the purchaser of the shares to withhold taxes at source.

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 considered a “substantial shareholder” at any point in 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. 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 (including Preferred Technological) Enterprise. If the dividend is attributable in part to income derived from a Preferred Enterprise or a Preferred Technological Enterprise, the withholding rate will be a blended rate reflecting the relative portions of the 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. Such dividends are generally subject to Israeli withholding tax at a rate of 25% so long as the shares are registered with a nominee company (whether the recipient is a substantial shareholder or not) and 20% if the dividend is distributed from income attributed to a Preferred Enterprise.

However, a reduced tax rate may be provided under an applicable tax treaty. For example, under the United States-Israel Tax Treaty, the maximum rate of tax withheld at source in Israel on dividends paid to a holder of our ordinary shares who is a Treaty U.S. Resident is 25%. However, generally, the maximum rate of withholding tax on dividends not generated by a Preferred Enterprise, that are paid to a United States corporation holding 10% or more of the outstanding voting capital throughout the tax year in which the dividend is distributed as well as during the previous tax year is 12.5%, provided that not more than 25% of the gross income for such preceding year consists of certain types of dividends and interest. If dividends are distributed from income attributed to a Preferred Enterprise, or a Preferred Technological Enterprise and the foregoing conditions are met, such dividends are subject to a withholding tax rate of 15% for a shareholder that is a United States corporation.

Excess Tax

Subject to the provisions of an applicable tax treaty, individuals who are subject to income tax in Israel (whether any such individual is an Israeli resident or non-Israeli resident) are also subject to an additional tax at a rate of 3% on annual income (including, but not limited to, income derived from dividends, interest and capital gains) exceeding NIS 651,600 for 2020, which amount is linked to the annual change in the Israeli consumer price index.

Foreign Exchange Regulations

Non-residents of Israel who hold our ordinary shares are able to receive any dividends, and any amounts payable upon the dissolution, liquidation and winding up of our affairs, repayable in non-Israeli currency at the rate of exchange prevailing at the time of conversion. However, Israeli income tax is generally required to have been paid or withheld on these amounts. In addition, the statutory framework for the potential imposition of currency exchange control has not been eliminated, and may be restored at any time by administrative action.

Estate and Gift Tax

Israeli law presently does not impose estate or gift taxes.

U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes certain United States federal income tax considerations generally applicable to United States Holders (as defined below) of our ordinary shares. This summary deals only with our ordinary shares held as capital assets within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended, or Internal Revenue Code. This summary also does not address the tax consequences that may be relevant to holders in special tax situations including, without limitation, dealers in securities, traders that elect to use a mark-to-market method of accounting, holders that own our ordinary shares as part of a "straddle," "hedge," "conversion transaction," or other integrated investment, banks or other financial institutions, individual retirement accounts and other tax-deferred accounts, insurance companies, tax-exempt organizations, United States expatriates, holders whose functional currency is not the U.S. dollar, holders subject to the alternative minimum tax, holders that acquired our ordinary shares in a compensatory transaction, holders subject to special tax accounting rules as a result of any item of gross income with respect to our ordinary shares being taken into account in an applicable financial statement, holders which are entities or arrangements treated as partnerships for United States federal income tax purposes or holders that actually or constructively through attribution own 10% or more of the total voting power or value of our outstanding ordinary shares.

This summary is based upon the Internal Revenue Code, applicable United States Treasury regulations, administrative pronouncements, and judicial decisions, in each case as in effect on the date hereof, all of which are subject to change (possibly with retroactive effect). No ruling will be requested from the Internal Revenue Service, or IRS, regarding the tax consequences described herein, and there can be no assurance that the IRS will agree with the discussion set out below. This summary does not address any United States federal tax consequences other than United States federal income tax consequences (such as the estate and gift tax or the Medicare tax on net investment income). As used herein, the term "United States Holder" means a beneficial owner of our ordinary shares that is, for United States federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation or other entity taxable as a corporation created or organized under the laws of the United States or any state thereof or therein or the District of Columbia, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source, or (iv) a trust (a) that is subject to the supervision of a court within the United States and the control of one or more United States persons as described in Internal Revenue Code Section 7701(a)(30), or (b) that has a valid election in effect under applicable United States Treasury regulations to be treated as a "United States person."

If an entity or arrangement treated as a partnership for United States federal income tax purposes acquires our ordinary shares, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. Partners of a partnership considering an investment in our ordinary shares should consult their tax advisors regarding the United States federal income tax consequences of acquiring, owning, and disposing of our ordinary shares.

Taxation of Dividends Paid on ordinary shares

We do not intend to pay dividends in the foreseeable future. In the event that we do pay dividends, and subject to the discussion under the heading "Passive Foreign Investment Companies" below and the discussion of "Qualified Dividend Income" below, a U.S. Holder, other than certain U.S. 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. Corporate holders generally will not be allowed a deduction for dividends received. 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.

Foreign withholding tax (if any) paid on dividends on our ordinary shares at the rate applicable to a United States Holder (taking into account any applicable income tax treaty) will, subject to limitations and conditions, be treated as foreign income tax eligible for credit against such holder's United States federal income tax liability or, at such holder's election, eligible for deduction in computing such holder's United States federal taxable income. Dividends paid on our ordinary shares generally will constitute "foreign source income" and "passive category income" for purposes of the foreign tax credit. However, if we are a "United States-owned foreign corporation," solely for foreign tax credit purposes, a portion of the dividends allocable to our United States source earnings and profits may be re-characterized as United States source. A "United States-owned foreign corporation" is any foreign corporation in which United States persons own, directly or indirectly, 50% or more (by vote or by value) of the stock. In general, United States-owned foreign corporations with less than 10% of earnings and profits attributable to sources within the United States are excepted from these rules. If we are treated as a "United States-owned foreign corporation," and if 10% or more of our earnings and profits are attributable to sources within the United States, a portion of the dividends paid on the ordinary shares allocable to our United States source earnings and profits will be treated as United States source, and, as such, the ability of a United States Holder to claim a foreign tax credit for any Israeli withholding taxes payable in respect of our dividends may be limited. The rules governing the treatment of foreign taxes imposed on a United States Holder and foreign tax credits are complex, and United States Holders should consult their tax advisors about the impact of these rules in their particular situations.

Dividends received by certain non-corporate United States Holders (including individuals) may be "qualified dividend income," which is taxed at the lower capital gain rate, provided that (i) either our ordinary shares are readily tradable on an established securities market in the United States or we are eligible for benefits under a comprehensive United States income tax treaty that includes an exchange of information program and which the United States Treasury Department has determined is satisfactory for these purposes, (ii) we are neither a PFIC (as discussed below) nor treated as such with respect to the United States Holder for either the taxable year in which the dividend is paid or the preceding taxable year, and (iii) the United States Holder satisfies certain holding period and other requirements. In this regard, shares generally are considered to be readily tradable on an established securities market in the United States if they are listed on the , as our ordinary shares are expected to be. United States Holders should consult their tax advisors regarding the availability of the reduced tax rate on dividends paid with respect to our ordinary shares. The dividends will not be eligible for the dividends received deduction available to corporations in respect of dividends received from other United States corporations.

Taxation of the Sale, Exchange, or other Disposition of ordinary shares

Subject to the discussion below under "— Passive Foreign Investment Company," a United States Holder generally will recognize capital gain or loss for United States federal income tax purposes on the sale or other taxable disposition of our ordinary shares equal to the difference, if any, between the amount realized and the United States Holder's adjusted tax basis in those ordinary shares. If any Israeli tax is imposed on the sale, exchange or other disposition of our ordinary shares, a United States Holder's amount realized will include the gross amount of the proceeds of the deposits before deduction of the Israeli tax. In general, capital gains recognized by a non-corporate United States Holder, including an individual, are subject to a lower rate under current law if such United States Holder held shares for more than one year. The deductibility of capital losses is subject to limitations. Any such gain or loss generally will be treated as United States source income or loss for purposes of the foreign tax credit. A United States Holder's initial tax basis in shares generally will equal the cost of such shares. Because gain for the sale or other taxable disposition of our ordinary shares will be treated as United States source income, and you may use foreign tax credits against only the portion of United States federal income tax liability that is attributed to foreign source income in the same category, your ability to utilize a foreign tax credit with respect to the Israeli tax imposed on any such sale or other taxable disposition, if any, may be significantly limited. In addition, if you are eligible for the benefit of the income tax convention between the United States and the State of Israel and pay Israeli tax in excess of the amount applicable to you under such convention or if the Israeli tax paid is refundable, you will not be able to claim any foreign tax credit or deduction with respect to such Israeli tax. You should consult your tax advisor as to whether the Israeli tax on gains may be creditable or deductible in light of your particular circumstances and your ability to apply the provisions of an applicable treaty.

Passive Foreign Investment Companies

We would be a PFIC for any taxable year if, after the application of certain look-through rules, either: (i) 75% or more of our gross income for such year is "passive income" (as defined in the relevant provisions of the Internal Revenue Code), or (ii) 50% or more of the value of our assets (generally determined on the basis of a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income. For these purposes, cash and other assets readily convertible into cash or that do or could generate passive income are categorized as passive assets, and the value of company's goodwill and other unbooked intangible assets is generally taken into account. Passive income generally includes, among other things, rents, dividends, interest, royalties, gains from the disposition of passive assets and gains from commodities and securities transactions. For purposes of this test, we will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation of which we own, directly or indirectly, at least 25% (by value) of the stock. Based on our anticipated market capitalization and the composition of our income, assets and operations, we believe that we were not a PFIC for 2021 and do not expect to be a PFIC for United States federal income tax purposes for the current taxable year or in the foreseeable future. However, this is a factual determination that must be made annually after the close of each taxable year. Moreover, the value of our assets for purposes of the PFIC determination may be determined by reference to the public price of our ordinary shares at this initial offering and the future price, which could fluctuate significantly. In addition, it is possible that the IRS may take a contrary position with respect to our determination in any particular year, and therefore, there can be no assurance that we will not be classified as a PFIC for 2021, in the current taxable year or in the future. Certain adverse United States federal income tax consequences could apply to a United States Holder if we are treated as a PFIC for any taxable year during which such United States Holder holds our ordinary shares. Under the PFIC rules, if we were considered a PFIC at any time that a United States Holder holds our ordinary shares, we would continue to be treated as a PFIC with respect to such holder's investment unless (i) we cease to be a PFIC, and (ii) the United States Holder has made a "deemed sale" election under the PFIC rules.

If we are a PFIC for any taxable year that a United States Holder holds our ordinary shares, unless the United States Holder makes one of the elections described below, any gain recognized by the United States Holder on a sale or other disposition of our ordinary shares would be allocated pro-rata over the United States Holder's holding period for the ordinary shares. The amounts allocated to the taxable year of the sale or other disposition and to any year before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or the highest rate in effect for corporations, as appropriate, for that taxable year, and an interest charge would be imposed. Further, to the extent that any distribution received by a United States Holder on our ordinary shares exceeds 125% of the average of the annual distributions on the ordinary shares received during the preceding three years or the United States Holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner as gain on the sale or other disposition of our ordinary shares if we were a PFIC, described above. If we are treated as a PFIC with respect to a United States Holder for any taxable year, the United States Holder will be deemed to own equity in any of the entities in which we hold equity that also are PFICs. Certain elections may be available that would result in alternative treatments (such as mark-to-market treatment) of the ordinary shares. In addition, a timely election to treat us as a qualified electing fund under the Internal Revenue Code would result in an alternative treatment. However, we do not intend to prepare or provide the information that would enable United States Holders to make a qualified electing fund election. If we are considered a PFIC, a United States Holder also will be subject to annual information reporting requirements. United States Holders should consult their tax advisors about the potential application of the PFIC rules to an investment in the ordinary shares.

Information Reporting and Backup Withholding

Dividend payments and proceeds paid from the sale or other taxable disposition of our ordinary shares may be subject to information reporting to the IRS. In addition, a United States Holder (other than an exempt holder who establishes its exempt status if required) may be subject to backup withholding on dividend payments and proceeds from the sale or other taxable disposition of our ordinary shares paid within the United States or through certain U.S.-related financial intermediaries.

Backup withholding will not apply, however, to a United States Holder who furnishes a correct taxpayer identification number, makes other required certification and otherwise complies with the applicable requirements of the backup withholding rules. Backup withholding is not an additional tax. Rather, any amount withheld under the backup withholding rules will be creditable or refundable against the United States Holder's United States federal income tax liability, provided the required information is timely furnished to the IRS.

Foreign Financial Asset Reporting

Certain United States Holders are required to report their holdings of certain foreign financial assets, including equity of foreign entities, if the aggregate value of all of these assets exceeds certain threshold amounts. Our ordinary shares are expected to constitute foreign financial assets subject to these requirements unless the ordinary shares are held in an account at certain financial institutions. United States Holders should consult their tax advisors regarding the application of these reporting requirements.

UNDERWRITING

Aegis, is acting as the underwriter and the book-running manager of this offering. Under the terms of an underwriting agreement, which is filed as an exhibit to the registration statement, of which this prospectus forms a part, the underwriter has agreed to purchase from us the number of units and pre-funded units shown opposite its name below:

Underwriter	Number of Units	Number of Pre-Funded Units
Aegis Capital Corp.		

The underwriting agreement provides that the underwriter's obligation to purchase units depends on the satisfaction of the conditions contained in the underwriting agreement including:

- the representations and warranties made by us to the underwriter are true;
- there is no material change in our business or the financial markets; and
- we deliver customary closing documents to the underwriter.

Underwriting Commissions and Discounts and Expenses

The following table shows the per unit and pre-funded and total underwriting discounts and commissions we will pay to Aegis. These amounts are shown assuming both no exercise and full exercise of the underwriter's option to purchase additional ordinary shares.

			Total	
	Per Unit	Pre-Funded Unit	No Exercise	Full Exercise
Assumed public offering price	$	$	$	$
Estimated Underwriting discounts and commissions to be paid by us (7.0%)	$	$	$	$
Non-accountable expense allowance (1.0%)[(1)]	$	$	$	$
Proceeds, before expenses, to us	$	$	$	$

(1) We have agreed to pay a non-accountable expense allowance to Aegis equal to 1.0% of the gross proceeds received in this offering.

We estimate that the total expenses of the offering payable by us, excluding estimated underwriting discounts and commissions, will be approximately $877,500, including a 1.0% non-accountable expense allowance. We have also agreed to reimburse the underwriter for certain of their expenses, including "roadshow", diligence, and reasonable legal fees and disbursements, in an amount not to exceed $90,000 in the aggregate.

As additional compensation to Aegis, upon consummation of this offering, we will issue to Aegis or its designees warrants to purchase an aggregate number of shares of our ordinary shares equal to 5.0% of the number of ordinary shares issued in this offering, at an exercise price per share equal to 135.0% of the assumed public offering price per unit, or the Underwriter's Warrants. The Underwriter's Warrants and the underlying ordinary shares will not be sold, transferred, assigned, pledged, or hypothecated, or be the subject of any hedging, short sale, derivative, put, or call transaction that would result in the effective economic disposition of the Underwriter's Warrants by any person for a period of 180 days beginning on the date of commencement of sales of the offering in compliance with FINRA Rule 5110.

The Underwriter's Warrants will be exercisable from the date that is six months from the commencement of the sales of the offering, and will expire four years and six months after such date in compliance with FINRA Rule 5110(g)(8)(A). Furthermore, such Underwriter's Warrants shall be exercisable on a cash basis, provided that if a registration statement registering the ordinary shares underlying the Underwriter's Warrants is not effective, the Underwriter's Warrants may be exercised on a cashless basis and have anti-dilution terms that are consistent with FINRA Rule 5110(g)(8)(E) and (F).

Over-Allotment Option

We have granted to the underwriter an option to purchase up to 532,500 additional ordinary shares and/or pre-funded warrants (15% of the ordinary shares sold in the offering) and/or up to 532,500 additional warrants (15% of the warrants sold in the offering) at the assumed public offering price less estimated underwriting discounts and commissions. The underwriter may exercise this option in whole or in part at any time within forty-five (45) days after the date of the offering. To the extent the underwriter exercises this option, it will be committed, so long as the conditions of the underwriting agreement are satisfied, to purchase a number of additional shares. The purchase price to be paid per additional ordinary share or pre-funded warrant will be equal to the public offering price of one unit or pre-funded unit (less $0.001 allocated to the warrants), as applicable, less the underwriting discount, and the purchase price to be paid per additional warrant will be $0.01. We will be obligated, pursuant to the option, to sell these additional ordinary shares, pre-funded warrants or warrants to the underwriter to the extent the option is exercised. If any additional ordinary shares, pre-funded warrants or warrants are purchased, the underwriter will offer the additional ordinary shares, pre-funded warrants and warrants on the same terms as those on which the other ordinary shares, pre-funded warrants and warrants are being offered hereunder.

Stabilization

In accordance with Regulation M under the Exchange Act, the underwriter may engage in activities that stabilize, maintain or otherwise affect the price of our ordinary shares, including short sales and purchases to cover positions created by short positions, stabilizing transactions, syndicate covering transactions, penalty bids and passive market making.

- Short positions involve sales by the underwriter of shares in excess of the number of shares the underwriter is obligated to purchase, which creates a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of shares involved in the sales made by the underwriter in excess of the number of shares it is obligated to purchase is not greater than the number of shares that it may purchase by exercising its option to purchase additional shares. In a naked short position, the number of shares involved is greater than the number of shares in their option to purchase additional shares. The underwriter may close out any short position by either exercising its option to purchase additional shares or purchasing shares in the open market.

- Stabilizing transactions permit bids to purchase the underlying security as long as the stabilizing bids do not exceed a specific maximum price.

- Syndicate covering transactions involve purchases of our ordinary shares in the open market after the distribution has been completed to cover syndicate short positions. In determining the source of shares to close out the short position, the underwriter will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the underwriter’s option to purchase additional shares. If the underwriter sells more shares than could be covered by the underwriter’s option to purchase additional shares, thereby creating a naked short position, the position can only be closed out by buying shares in the open market. A naked short position is more likely to be created if the underwriter is concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.

- Penalty bids permit the representative to reclaim a selling concession from a syndicate member when the ordinary shares originally sold by the syndicate member is purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

- In passive market making, market makers in our ordinary shares who are underwriters or prospective underwriters may, subject to limitations, make bids for or purchase our ordinary shares until the time, if any, at which a stabilizing bid is made.

These activities 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 or warrants. As a result of these activities, the price of our ordinary shares or warrants may be higher than the price that might otherwise exist in the open market. These transactions may be effected on Nasdaq or otherwise and, if commenced, may be discontinued at any time.

Neither we nor the underwriter 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 or warrants. In addition, neither we nor the underwriter make any representation that Aegis will engage in these stabilizing transactions or that any transaction, once commenced, will not be discontinued without notice.

Assumed Offering Price Determination

The assumed public offering price was negotiated between Aegis and us. In determining the assumed public offering price of our ordinary shares, Aegis considered:

- the history and prospects for the industry in which we compete;

- our financial information;

- the ability of our management and our business potential and earning prospects;

- the prevailing securities markets at the time of this offering; and

- the recent market prices of, and the demand for, publicly traded shares of generally comparable companies, as well as the recent market price of our ordinary shares.

Indemnification

We have agreed to indemnify Aegis, its affiliates, and each person controlling Aegis against any losses, claims, damages, judgments, assessments, costs, and other liabilities, as the same are incurred (including the reasonable fees and expenses of counsel), relating to or arising out of the offering, undertaken in good faith.

Discretionary Accounts

The underwriter has informed us it they does not expect to make sales to accounts over which they exercise discretionary authority in excess of five (5)% of the shares of our ordinary shares being offered in this offering.

Lock-Up Agreements

Pursuant to certain “lock-up” agreements, the Company’s executive officers and directors and holders of at least 10% of the Company’s ordinary shares and securities exercisable for or convertible into its ordinary shares outstanding immediately upon the closing of this offering, have agreed, subject to certain exceptions, not to offer, sell, assign, transfer, pledge, contract to sell, or otherwise dispose of or announce the intention to otherwise dispose of, or enter into any swap, hedge or similar agreement or arrangement that transfers, in whole or in part, the economic risk of ownership of, directly or indirectly, engage in any short selling of any ordinary shares or securities convertible into or exchangeable or exercisable for any ordinary shares, whether currently owned or subsequently acquired, without the prior written consent of the underwriter, for a period of one hundred eighty (180) days from the closing date of the offering.

Company Standstill

The Underwriting Agreement will provide, among other items, that the Company will agree, for a period of 18 months from the closing date of the Offering, that without the prior written consent of Aegis, it will not (a) offer, sell, issue, or otherwise transfer or dispose of, directly or indirectly, any equity of the Company or any securities convertible into or exercisable or exchangeable for equity of the Company; (b) file or caused to be filed any registration statement with the Commission relating to the offering of any equity of the Company or any securities convertible into or exercisable or exchangeable for equity of the Company; or (c) enter into any agreement or announce the intention to effect any of the actions described in subsections (a) or (b) hereof (all of such matters referred to as the Standstill). So long none of such equity securities shall be saleable in the public market until the expiration of the one hundred eighty (180) period described above, the following matters shall not be prohibited by the Standstill: (i) the adoption of an equity incentive plan and the grant of awards or equity pursuant to any equity incentive plan, and the filing of a registration statement on Form S-8; (ii) the issuance of equity securities in connection with an acquisition or a strategic relationship, which may include the sale of equity securities; (iii) the issuance of securities upon the exercise or exchange of or conversion of any securities issued hereunder and/or other securities exercisable or exchangeable for or convertible into shares of common stock issued and outstanding on the date of the Underwriting Agreement; and (iv) the issuance of securities to affiliates and subsidiaries of the Company.

Other Relationships

Aegis may in the future provide us and our affiliates with such services. Aegis may release, or authorize us to release, as the case may be, the ordinary shares and other securities subject to the lock-up agreements described above in whole or in part at any time with or without notice.

Offer restrictions outside the United States

Other than in the United States, no action has been taken by us or the underwriter that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons who come into possession of this prospectus are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Electronic Distribution

A prospectus in electronic format may be made available on the websites maintained by the underwriter or selling group members, if any, participating in the offering. Aegis may allocate a number of shares to the underwriter and selling group members, if any, for sale to their online brokerage account holders. Any such allocations for online distributions will be made by Aegis on the same basis as other allocations.

EXPENSES

Set forth below is an itemization of the total expenses, excluding estimated underwriting discounts, expected to be incurred in connection with the offer and sale of the ordinary shares by us. With the exception of the SEC registration fee and the FINRA filing fee, all amounts are estimates:

SEC registration fee	$	3,306
Nasdaq listing fee	$	5,000
FINRA filing fee	$	1,392
Transfer agent fees and expenses	$	350
Printer fees and expenses	$	5,000
Legal fees and expenses	$	350,000
Accounting fees and expenses	$	245,000
Miscellaneous	$	90,000
Total	$	700,048

LEGAL MATTERS

Certain legal matters concerning this offering will be passed upon for us by McDermott Will & Emery LLP, New York, New York. Certain legal matters with respect to the legality of the issuance of the securities offered by this prospectus will be passed upon for us by Shibolet & Co. Law Firm, Tel Aviv, Israel. Certain legal matters related to the offering will be passed upon for the underwriter by Kaufman & Canoles, P.C., Richmond, Virginia.

EXPERTS

The financial statements of Rail Vision Ltd. as of December 31, 2020 and 2019, and for each of the two years in the period ended December 31, 2020, included in this Prospectus, have been audited by Brightman Almagor Zohar & Co., a Firm in the Deloitte Global Network, an independent registered public accounting firm, as stated in their report. Such financial statements are included in reliance upon the report of such firm given their authority as experts in accounting and auditing.

ENFORCEABILITY OF CIVIL LIABILITIES

We are incorporated under the laws of the State of Israel. Service of process upon us and upon our directors and officers and the Israeli experts named in the registration statement of which this prospectus forms a part, all or a substantial majority of whom reside outside of the United States, may be difficult to obtain within the United States. Furthermore, because substantially all of our assets and a substantial of our directors and officers are located outside of the United States, any judgment obtained in the United States against us or any of our directors and officers may not be collectible within the United States.

We have been informed by our legal counsel in Israel, Shibolet & Co., that it may be difficult to assert U.S. securities law claims in original actions instituted in Israel. Israeli courts may refuse to hear a claim based on a violation of U.S. securities laws because Israel is not the most appropriate forum to bring such a claim. In addition, even if an Israeli court agrees to hear a claim, it may determine that Israeli law and not U.S. law is applicable to the claim. If U.S. law is found to be applicable, the content of applicable U.S. law must be proved as a fact which can be a time-consuming and costly process. Certain matters of procedure will also be governed by Israeli law.

Subject to specified time limitations and legal procedures, Israeli courts may enforce a United States judgment in a civil matter which, subject to certain exceptions, is non-appealable, including judgments based upon the civil liability provisions of the Securities Act and the Exchange Act and including a monetary or compensatory judgment in a non-civil matter, provided that among other things:

- the judgment is obtained after due process before a court of competent jurisdiction, according to the laws of the state in which the judgment is given and the rules of private international law currently prevailing in Israel;
- the judgment is final and is not subject to any right of appeal;
- the prevailing law of the foreign state in which the judgment was rendered allows for the enforcement of judgments of Israeli courts;
- adequate service of process has been effected and the defendant has had a reasonable opportunity to be heard and to present his or her evidence;

- the liabilities under the judgment are enforceable according to the laws of the State of Israel and the judgment and the enforcement of the civil liabilities set forth in the judgment is not contrary to the law or public policy in Israel nor likely to impair the security or sovereignty of Israel;

- the judgment was not obtained by fraud and does not conflict with any other valid judgments in the same matter between the same parties;

- an action between the same parties in the same matter is not pending in any Israeli court at the time the lawsuit is instituted in the foreign court; and

- the judgment is enforceable according to the law of the foreign state in which the relief was granted.

If a foreign judgment is enforced by an Israeli court, it generally will be payable in Israeli currency, which can then be converted into non-Israeli currency and transferred out of Israel. The usual practice in an action before an Israeli court to recover an amount in a non-Israeli currency is for the Israeli court to issue a judgment for the equivalent amount in Israeli currency at the rate of exchange in force on the date of the judgment, but the judgment debtor may make payment in foreign currency. Pending collection, the amount of the judgment of an Israeli court stated in Israeli currency ordinarily will be linked to the CPI plus interest at the annual statutory rate set by Israeli regulations prevailing at the time. Judgment creditors must bear the risk of unfavorable exchange rates.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form F-1 under the Securities Act relating to this 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. Statements made in this prospectus concerning the contents of any contract, agreement or other document are summaries of all material information about the documents summarized, but are not complete descriptions of all terms of these documents. If we filed any of these documents as an exhibit to the registration statement, you may read the document itself for a complete description of its terms.

You may read and copy the registration statement, including the related exhibits and schedules, and any document we file with the SEC without charge at the SEC's public reference room at 100 F Street, N.E., Room 1580, Washington, DC 20549. You may also obtain copies of the documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Room 1580, Washington, DC 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC also maintains an Internet website that contains reports and other information regarding issuers that file electronically with the SEC. Our filings with the SEC are also available to the public through the SEC's website at http://www.sec.gov.

We are subject to the information reporting requirements of the Exchange Act that are applicable to foreign private issuers, and under those requirements are filing reports with the SEC. Those other reports or other information may be inspected without charge at the locations described above. As a foreign private issuer, we are exempt from the rules under the Exchange Act related to the furnishing and content of proxy statements, and our officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we are not required under the Exchange Act to file annual, quarterly and current reports and financial statements with the SEC as frequently or as promptly as United States companies whose securities are registered under the Exchange Act. However, we will file with the SEC, within 120 days after the end of each fiscal year, or such applicable time as required by the SEC, an annual report on Form 20-F containing financial statements audited by an independent registered public accounting firm, and will submit to the SEC, on Form 6-K, unaudited quarterly financial information.

We maintain a corporate website at www.railvision.co.il. Information contained on, or that can be accessed through, our website does not constitute a part of this prospectus. We have included our website address in this prospectus solely as an inactive textual reference. We will post on our website any materials required to be so posted on such website under applicable corporate or securities laws and regulations, including, posting any XBRL interactive financial data required to be filed with the SEC and any notices of general meetings of our shareholders.

Rail Vision Ltd.

Interim Condensed Financial Statements
As of June 30, 2021

(Unaudited)

UNAUDITED INTERIM CONDENSED BALANCE SHEET
(U.S. dollars in thousands, except share data and per share data)

Rail Vision Ltd.

Interim Condensed Financial Statements
As of June 30, 2021

(Unaudited)

Contents

Rail Vision Ltd.
INTERIM CONDENSED BALANCE SHEETS
(U.S. dollars in thousands, except share data and per share data)

	As of December 31, 2020	As of June 30, 2021 (unaudited)
ASSETS		
Current assets		
Cash and cash equivalents	$ 6,749	$ 6,887
Restricted cash	194	-
Deferred expenses	196	31
Other current assets	173	271
Total current assets	7,312	7,189
Operating lease - right of use of asset	1,217	1,577
Restricted cash	-	191
Deferred issuance expenses	-	206
Fixed assets, net	443	585
	1,660	2,559
TOTAL ASSETS	8,972	9,748
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Trade accounts payable	51	281
Current operating lease liability	485	290
Other accounts payable	1,654	1,150
Total current liabilities	2,190	1,721
Non-current operating lease liability	910	1,310
TOTAL LIABILITIES	3,100	3,031
Temporary equity		
Preferred A shares – NIS 0.01 par value; Authorized 100,000 shares; Issued and outstanding: 51,282 shares as of December 31, 2020 and June 30, 2021 (unaudited); aggregate liquidation preference of $5,000 and $10,000 as of December 31, 2020 and June 30, 2021 (unaudited)	4,965	9,965
Shareholders' equity		
Ordinary shares, NIS 0.01 par value; Authorized 99,900,000 shares; Issued and outstanding: 9,136,600 and 9,157,324 shares as of December 31, 2020 and June 30, 2021(unaudited)	25	25
Additional paid in capital	35,001	35,974
Accumulated deficit	(34,119)	(39,247)
Total shareholders' equity	907	(3,248)
TOTAL LIABILITIES, TEMPORARY EQUITY AND SHAREHOLDERS' EQUITY	8,972	9,748

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

Rail Vision Ltd.
UNAUDITED INTERIM CONDENSED STATEMENTS OF COMPREHENSIVE LOSS
(U.S. dollars in thousands, except share data and per share data)

	For the Six-Month Period ended June 30	
	2020	**2021**
Revenues	$ —	$ 417
Cost of revenues	—	(113)
Gross profit	—	304
Research and development expenses, net	(3,600)	(3,838)
Administrative and general expenses	(1,505)	(1,727)
Operating loss	(5,105)	(5,261)
Financing income, net	40	133
Net loss for the period	(5,065)	(5,128)
Basic and diluted loss per share	(0.55)	(0.56)
Weighted average number of shares outstanding used to compute basic and diluted loss per share	9,136,600	9,138,756

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

Rail Vision Ltd.
UNAUDITED INTERIM CONDENSED STATEMENTS OF CONVERTIBLE PREFERRED SHARES AND CHANGES IN SHAREHOLDERS' EQUITY
(U.S. dollars in thousands, except share data and per share data)

	Convertible Preferred A Shares		Ordinary Shares		Additional paid in capital	Accumulated Deficit	Total shareholders' equity
	Number of shares	USD	Number of shares	USD			
Balance as of January 1, 2020	—	—	9,136,600	25	33,052	(23,412)	9,665
Share-based payment	—	—	—	—	821	—	821
Loss for the period	—	—	—	—	—	(5,065)	(5,065)
Balance as of June 30, 2020	—	—	9,136,600	25	33,873	(28,477)	5,421
Balance as of January 1, 2021	51,282	4,965	9,136,600	25	35,001	(34,119)	907
Issuance of convertible preferred shares	—	5,000	—	—	—	—	—
Issuance of shares as a result of exercise of options	—	—	20,724	(*)	127	—	127
Share-based payment	—	—	—	—	846	—	846
Loss for the period	—	—	—	—	—	(5,128)	(5,128)
Balance as of June 30, 2021	51,282	9,965	9,157,324	25	35,974	(39,247)	(3,248)

(*) Represents an amount less than $1.

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

Rail Vision Ltd.
UNAUDITED INTERIM CONDENSED STATEMENTS OF CASH FLOWS
(U.S. dollars in thousands, except share data and per share data)

	For the Six-Month Period ended June 30	
	2020	**2021**
Cash flows from operating activities		
Net loss for the period	$ (5,065)	$ (5,128)
Adjustments to reconcile loss to net cash used in operating activities:		
Depreciation	94	60
Share-based compensation	822	846
Change in lease liability	14	(155)
Changes in operating assets and liabilities:		
Decrease (increase) in other assets	214	(120)
Increase (decrease) in trade accounts payable	(99)	46
Decrease in other accounts payable	(47)	(504)
Net cash used in operating activities	(4,067)	(4,955)
Cash flows from investing activities		
Purchase of fixed assets	(86)	(37)
Net cash used in investing activities	(86)	(37)
Cash flows from financing activities:		
Issuance of Preferred Shares	—	5,000
Proceeds from exercise of options	—	127
Net cash provided by financing activities	—	5,127
Increase (decrease) in cash, cash equivalents and restricted cash	**(4,153)**	**135**
Cash, cash equivalents and restricted cash at the beginning of the period	9,300	6,943
Cash, cash equivalents and restricted cash at the end of the period	**5,147**	**7,078**

Non Cash Activities:	For the Six-Month Period ended June 30	
	2020	**2021**
Obtaining a right-of-use asset in exchange for a lease liability	—	458
Purchase of fixed assets	—	184

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

Note 1 - General

A. General:

Rail Vision Ltd. (the "Company") was incorporated and registered in Israel on April 18, 2016. The Company is a development-stage technology company that is engaged in the design, development and assembly of railway detection systems designed to solve the challenges in railway operational safety, efficiency and predictive maintenance. Our railway detection systems include different types of cameras, including optics, visible light spectrum cameras (video) and thermal cameras that transmit data to a ruggedized on-board computer which is designed to be suitable for the rough environment of a train's locomotive.

These condensed financial statements should be read in conjunction with the Company's annual financial statements as of December 31, 2020 and for the year ended on that date, and the accompanying notes.

B. Going Concern:

To date, the Company has not generated sufficient revenues from its activities and has incurred substantial operating losses. Management expects the Company to continue to generate substantial operating losses and to continue to fund its operations primarily through utilization of its current cash and cash equivalents and through additional raises of capital.

Such conditions raise substantial doubts about the Company's ability to continue as a going concern. Management's plan includes raising funds from existing shareholders and/or outside potential investors. However, there is no assurance such funding will be available to the Company or that it will be obtained on terms favorable to the Company or will provide the Company with sufficient funds to complete the development of, and to commercialize, its products. These financial statements do not include any adjustments relating to the recoverability and classification of assets, carrying amounts or the amount and classification of liabilities that may be required should the Company be unable to continue as a going concern.

C. Impact of COVID-19 Pandemic:

With the ongoing COVID-19 global pandemic, the Company has implemented business continuity plans designed to address and mitigate the impact of the COVID-19 pandemic on its employees and its business. Given the global impact and the other risks and uncertainties associated with the pandemic, the Company's business, financial condition and results of operations could be materially adversely affected. The Company continues to closely monitor the COVID-19 pandemic and evolve its business continuity plans, its development plans and response strategy to mitigate any potential impact. As of the date of issuance of these financial statements, the Company is not aware of any specific event or circumstance that would require the Company to update its estimates, assumptions and judgments or revise the carrying value of its assets or liabilities. Actual results could differ from those estimates, and any such differences may be material to the Company's financial statements.

Note 2 - Summary of Significant Accounting Policies

A. Unaudited Interim Condensed Financial Statements

The accompanying interim balance sheet as of June 30, 2021, the interim statements of comprehensive loss, convertible preferred shares and shareholders' equity, and cash flows for the six months ended June 30, 2020 and 2021, and the related notes to such interim financial statements are unaudited. These unaudited interim financial statements have been prepared in accordance with GAAP and are presented in accordance with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") and do not include all disclosures normally required in annual financial statements prepared in accordance with GAAP.

In management's opinion, the unaudited interim financial statements have been prepared on the same basis as the annual financial statements and reflect all adjustments, which include only normal recurring adjustments necessary for the fair presentation of the Company's financial position as of June 30, 2021 and the Company's results of operations and cash flows for the six months ended June 30, 2020 and 2021. The results for the six months ended June 30, 2021 are not necessarily indicative of the results to be expected for the full year ending December 31, 2021 or any other future interim or annual period.

B. Issuance of bonus shares:

On February 13, 2022, the Company effected a bonus shares issuances under Israeli law to reflect the effect of 44-for-1 forward share split of the Company's ordinary shares. Accordingly, (i) for each one share of outstanding ordinary shares, 43 additional ordinary shares were issued and distributed to the holder thereof; (ii) the number of shares of ordinary shares issuable upon the exercise of each outstanding convertible preferred shares, warrant and option was proportionately increased by 43 additional ordinary shares; (iii) the exercise price of each outstanding option to purchase ordinary shares was proportionately adjusted; (iv) the authorized number of ordinary shares was increased in order to reflect such issuance of bonus shares; and (v) the par value of ordinary shares was not adjusted as result of this issuance of bonus shares. All the share numbers, share prices, and exercise prices have been adjusted retroactively within these financial statements to reflect the issuance of the bonus shares.

C. Use of estimates:

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

D. Significant Accounting Policies

The significant accounting policies followed in the preparation of these unaudited interim condensed financial statements are identical to those applied in the preparation of the latest annual financial statements.

Note 2 - Summary of Significant Accounting Policies (Cont.)

E. New Accounting Pronouncements Not Yet Effective:

In August 2020, the FASB issued ASU No. 2020-06, Accounting for Convertible Instruments and Contracts in an Entity's Own Equity, which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts in an entity's own equity. Among other changes, ASU No. 2020-06 removes from GAAP the liability and equity separation model for convertible instruments with a cash conversion feature, and as a result, after adoption, entities will no longer separately present in equity an embedded conversion feature for such debt. ASU No. 2020-06 also eliminates the treasury stock method to calculate diluted earnings per share and requires the if-converted method. This new standard will be effective for us in fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020. We are currently assessing the impact of adopting this standard on our financial statements.

In December 2019, the FASB issued ASU No. 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes, which affects general principles within Topic 740, Income Taxes and is meant to simplify and reduce the cost of accounting for income taxes. This standard is effective for annual reporting periods beginning after December 15, 2021, and interim reporting periods within annual reporting periods beginning after December 15, 2022. We are currently reviewing this standard but do not expect that it will have a material impact on our financial statements.

Note 3 - Significant Events during the Reporting Period

A. Equity:

1) On April 13, 2021, the Company received $5,000 (gross) following the investment agreement dated October 13, 2020, according to which the Company issued 51,282 Preferred A shares (convertible into 2,256,408 ordinary shares) to Knorr-Bremse, in exchange for a total investment of approx $10,000, of which the first half was paid on October 13, 2020.

2) During the reporting period, former employees exercised options to purchase 20,724 ordinary shares resulting in proceeds of approx. $127.

B. Israel Railways:

According to the January 2020 agreement between the Company and Israel Railways Ltd. ("Israel Railways"), which replaced an earlier agreement between the parties from August 2016, the Company granted Israel Railways an option to purchase 195,448 of the Company's ordinary shares in exchange for their par value (the "Israel Railways Option"). On May 30, 2021, Israel Railways informed the Company that the Israel Railways Board of Directors approved the exercise of the Israel Railways Option. According to Government Resolution No. 3837, the decision of the Railway Board of Directors requires the approval of the Minister of Finance, the Minister of Transportation, the Budget Director in the Ministry of Finance and the Director of the Government Companies Authority ("Government Approval"). As of the date of this report, the decision of the Board of Directors of Israel Railways has not yet been approved. Regarding an amendment to the Israel Railways Option exercise period see Note 4B(1) below.

Note 3 - Significant Events during the Reporting Period (Cont.)

C. Update of lease agreement:

On April 4, 2021, the Company signed an amendment to the lease agreement of the Company's offices in Raanana, according to which the Company extended the lease period for an additional five years from September 9, 2021 (the end of the current lease period) to September 8, 2026 (the "Lease Amendment").

According to the Lease Amendment, the monthly rent for the Company's offices (not including parking and management fees) will be approx NIS 79 thousand (approx$25) in the first two years, approx NIS 82 thousand (approx. $26) in the third and fourth years and approx. NIS 83 thousand (approx. $26) in the fifth year. All amounts are linked to the consumer price index.

According to the Lease Amendment, the Company has an option to extend the lease period for an additional five years from September 9, 2026 to September 8, 2031 at a monthly rent of between NIS 96 thousand (approx. $30) and NIS 102 thousand (approx. $32) over the additional lease period (the "Extension Option").

When determining the new lease period as part of the amendment, the Company estimated that it was not reasonably certain that the Extension Option will be exercised. At the time of the amendment, the Company updated its lease liability and right-of-use asset in a total amount of approx. $458, which reflects the expected lease term until September 8, 2026.

D. Agreement for the supply of equipment and services with Hitachi Rail STS Australia Pty Ltd. ("STS"):

In April 2021, the Company entered into an agreement for the supply of equipment, personnel and services ("the Supply Agreement") with STS, which enables STS to supply the Australian railway company Rio Tinto Railway Network ("RTIO") with a prototype of the Company's system ("the System"), for demonstration purposes and later, for the purpose of examining the system's operational activity ("POC").

The demonstration and examination will be done in three stages, with the system demonstrated in the first stage, followed by technical adjustments by the Company as required for the installation of the system in the RTIO locomotive, and finally the system will be installed in the locomotive with live operating rail infrastructure. The whole process is expected to take about 9 months.

In consideration for the project, STS has undertaken to pay the Company a total of $265 and an option for additional payments in the amount of up to $133, subject to an order of additional services during the POC project. As of the date of this report, the demonstration stage has not yet begun and no consideration has yet been received for it.

Note 3 - Significant Events during the Reporting Period (Cont.)

E. Framework agreement with Knorr-Bremse Rail Systems Schweiz AG ("KBCH"):

In August 2020, the Company entered into a framework agreement (the "Framework Agreement") with KBCH (a subsidiary of Knorr-Bremse operating in Switzerland) regarding the supply of a prototype of the Company's system to the shunting yard of a company operating cargo trains in Switzerland ("SBBC").

Under the framework agreement, the Company provided KBCH one prototype of the system (the "Prototype"), which was installed on an operating locomotive in an SBBC shunting yard, for the purpose of examining the operational performance of the system (the "Operational Function Test").

In consideration for the prototype provided in October 2020 for the Operational Function Test, KBCH paid the Company the amount of approx. EUR 244 thousand (approx. $293). In addition, in order to support the operational performance test procedure, which began in April 2021, the Company undertook to provide various professionals, as needed, in exchange for payment at the maximum rates and amounts determined in the framework agreement. In addition, the framework agreement determines a division between the Company and KBCH regarding additional support actions for SBBC, as needed, in the Operational Function Test process. During the reporting period, KBCH paid the Company a total of approx. EUR 110 thousand (approx. $124) for the Company's services supporting the installation and operation of the system and its participation in part of the overall licensing process of the operating concept that were fully provided during the reporting period.

As the delivery of the prototype and the provision of the services described above were identified by the Company as a single performance obligation, during the reporting period, the Company recognized revenues from the sale of the prototype and the related services in the total amount of approx. $417.

Note 4 - Subsequent Events

The Company evaluated subsequent events through January 10, 2022, the date the financial statements were issued, except for items (C), (D) and (E) as to which the date is February 17, 2022.

A. Strategic partnership agreement between the Company and Knorr-Bremse

On August 19, 2021, the Company entered into a strategic partnership agreement which summarizes the understandings for strategic cooperation between the parties.

The agreement was approved by the Company's Board of Directors on August 25, 2021 and by the Company's General Meeting on August 26, 2021.

B. Israel Railways:

1) According to an amendment to the Israel Railways Option agreement dated July 1, 2021, the exercise period of the Israel Railways Option will end with the earlier of the following: (1) the passing of five business days following Israel Railways' receipt of Government Approval; or (2) the end of a year from the date of amendment of the option agreement. This period is instead of the original option period according to which the option was exercisable by Israel Railways until the date of an initial public offering or change of control (as defined in the Railways Agreement), whichever is earlier.

Note 4 - Subsequent Events (Cont.)

B. Israel Railways (Cont.):

2) On August 12, 2021 the Company signed a non-binding Memorandum of Understanding ("MOU") with Israel Railways which summarizes the general terms and conditions to be included in a detailed commercial agreement between the parties.

According to the MOU, the Company and Israel Railways will conduct negotiations in good faith, with a view to entering into the commercial agreement as soon as possible before 31.1.2022. During the negotiations, Israel Railways has started conducting technical tests and analysis of the Company's system on a locomotive of Israel Railways. According to the MOU, the parties intend, subject, inter alia, to meeting the success criteria set by the parties (including obtaining approvals from the Ministry of Transportation and the locomotive manufacturers where the system will be installed), that Israel Railways will purchase between six to ten systems within one year of signing the MOU (and additional systems if necessary).

The signing of the MOU constitutes the occurrence of the Triggering Event as defined in the Company's agreement with the Consultant as set forth in Note 6B with the Company's annual financial statements as of December 31, 2020.

C. Under the investment agreement with Knorr-Bremse dated October 13, 2020, the Company was given an option to demand Knorr-Bremse to invest an additional amount of $5,000 (which will raise the total investment in Preferred A shares to $15,000 (gross)) at the same price per share, provided the existence of circumstances as detailed in the investment agreement. On December 2, 2021, the parties signed an amendment to the investment agreement regarding the expiration date of the aforementioned option, which was extended from December 31, 2021 to March 31, 2022. On February 14, 2022, the Company and Knorr-Bremse signed a second amendment to the investment agreement according to which from February 14, 2022 the Company is entitled to exercise the option in two installments as follows: (i) to call for up to $2,000,000 out of the option amount no later than March 31, 2022; and (ii) to call for up to $2,286,000 out of the option amount no later than June 30, 2022. The aforesaid option shall expire on the closing of the Company's initial public offering if such shall occur prior to June 30, 2022.

D. Safe Investment

On January 2022, the company raised $1,000 ("Purchase Amount") through a Simple Agreement for Future Equity ("SAFE") agreement between the Company and its 2 main shareholders.

According to the agreement, by August 31, 2022 ("Maturity Date") the SAFE will be automatically converted to 5,128 Preferred A Shares.

In the event of an IPO before the Maturity Date, the SAFE will be automatically converted into ordinary shares equal to the Purchase Amount divided by the IPO price per share.

In the event of an M&A or dissolution event (as defined in the SAFE) before the Maturity Date, the SAFE will be automatically converted into ordinary shares equal to the Purchase Amount divided by price per share of the relevant transaction.

E. Increase of authorized share capital

On January 13, 2022, a Special General Meeting of the shareholders of the Company approved an increase of the Company's registered share capital to NIS 1,000,000 divided by 99,900,000 ordinary shares and 100,000 Preferred A shares of the Company.

Rail Vision Ltd.

Financial Statements
As of December 31, 2020

Rail Vision Ltd.

Financial Statements
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
To the Shareholders and Board of Directors of
RAIL VISION LTD.

We have audited the accompanying balance sheets of Rail Vision Ltd. (the "Company") as of December 31, 2020 and 2019 and the related statements of comprehensive loss, change in convertible preferred shares and shareholders' equity and cash flows for each of the two years in the period ended December 31, 2020 and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company's lack of sufficient revenues and substantial operating losses raise substantial doubt about its ability to continue as a going concern. Management's plans concerning these matters are also described in Note 1 to the financial statements. The financial statements do not include any adjustments that might result from the outcome of' these uncertainties.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Brightman Almagor Zohar & Co.
Certified Public Accountants
A Firm in the Deloitte Global Network

Tel Aviv, Israel
January 10, 2022, except for the Notes 2C, 14G, 14H and 14I, as to which the date is February 17, 2022

We have served as the Company's auditor since 2016.

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Rail Vision Ltd.
Balance Sheets
(U.S. dollars in thousands, except share and per share data)

	Note	As of December 31, 2019	As of December 31, 2020
ASSETS			
Current assets			
Cash and cash equivalents		$ 9,120	$ 6,749
Restricted cash		180	194
Deferred expenses	7D (1)	331	196
Other current assets	3	189	173
Total current assets		9,820	7,312
Operating lease - right of use asset	13	1,521	1,217
Deferred expenses	7D (1)	196	-
Fixed assets, net	4	511	443
		2,228	1,660
TOTAL ASSETS		12,048	8,972
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade accounts payable		137	51
Current operating lease liability	13	295	485
Other accounts payable	5	681	1,654
Total current liabilities		1,113	2,190
Non-current operating lease liability	13	1,270	910
TOTAL LIABILITIES		2,383	3,100
Temporary equity			
Preferred A shares, NIS 0.01 par value; Authorized 100,000 shares; Issued and outstanding: 51,282 shares as of December 31, 2020; Aggregate liquidation preference of $5,000 as of December 31, 2020	7	-	4,965
Shareholders' equity			
Ordinary shares, NIS 0.01 par value; Authorized 99,900,000 shares; Issued and outstanding: 9,136,600 shares	8	25	25
Additional paid in capital	8	33,052	35,001
Accumulated deficit		(23,412)	(34,119)
Total shareholders' equity		9,665	907
TOTAL LIABILITIES, TEMPORARY EQUITY AND SHAREHOLDERS' EQUITY		12,048	8,972

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

Rail Vision Ltd.
Statements of Comprehensive Loss
(U.S. dollars in thousands, except share and per share data)

	Note	Year ended December 31, 2019	2020
Research and development expenses, net	9	$ 7,156	$ 7,205
General and administrative expenses	10	2,890	3,500
Operating loss		10,046	10,705
Financial expenses (income), net		(14)	2
Net loss		10,032	10,707
Basic and diluted loss per ordinary share		$ (1.25)	$ (1.17)
Weighted average number of ordinary shares outstanding used in computing basic and diluted loss per ordinary share		8,038,140	9,136,600

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

Rail Vision Ltd.
Statements of Convertible Preferred Shares and Changes in Shareholders' Equity
(U.S. dollars in thousands, except share and per share data)

	Preferred A Shares		Ordinary Shares		Additional paid in capital	Accumulated Deficit	Total shareholders' equity
	Number of shares	USD	Number of shares	USD			
BALANCE AS OF DECEMBER 31, 2018	—	—	6,137,340	17	18,290	(13,380)	4,927
CHANGES DURING 2019:							
Issuance of ordinary shares and warrants	—	—	1,803,296	5	9,936	—	9,941
Issuance of ordinary shares from exercise of warrants	—	—	1,195,964	3	3,469	—	3,472
Share-based payment	—	—	—	—	1,357	—	1,357
Loss for the year	—	—	—	—	—	(10,032)	(10,032)
BALANCE AS OF DECEMBER 31, 2019	—	—	9,136,600	25	33,052	(23,412)	9,665
CHANGES DURING 2020:							
Issuance of preferred A shares	51,282	4,965	—	—	—	—	—
Share-based payment	—	—	—	—	1,949	—	1,949
Loss for the year	—	—	—	—	—	(10,707)	(10,707)
BALANCE AS OF DECEMBER 31, 2020	51,282	4,965	9,136,600	25	35,001	(34,119)	907

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

Rail Vision Ltd.
Statements of Cash Flows
(U.S. dollars in thousands)

	Year ended December 31,	
	2019	**2020**
Cash flows from operating activities		
Loss for the year	$ (10,032)	$ (10,707)
Adjustments to reconcile loss to net cash used in operating activities:		
Depreciation	183	190
Share-based payment	1,357	2,281
Change in operating lease liability	122	134
Changes in operating assets and liabilities:		
Decrease (increase) in other current assets	(6)	15
Increase (decrease) in trade accounts payable	36	(86)
Increase in other accounts payable	136	973
Net cash used in operating activities	(8,204)	(7,200)
Cash flows from investing activities		
Purchase of fixed assets	(152)	(122)
Net cash used in investing activities	(152)	(122)
Cash flows from financing activities:		
Issuance of preferred A shares, net of issuance expenses	—	4,965
Issuance of ordinary shares and warrants, net of issuance expenses	9,941	—
Proceeds from exercise of warrants, net of issuance expenses	3,472	—
Net cash provided by financing activities	13,413	4,965
Increase in cash, cash equivalents and restricted cash	**5,057**	**(2,357)**
Cash, cash equivalents and restricted cash at the beginning of the period	4,243	9,300
Cash, cash equivalents and restricted cash at the end of the period	**9,300**	**6,943**

Non Cash Activities:	Year ended December 31,	
	2019	**2020**
Increase in Deferred expenses against additional paid in capital (see note 6A)	303	—
Obtaining a right of use asset in exchange for a lease liability	1,768	35

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

NOTE 1 - GENERAL

A. Rail Vision Ltd. (the "Company") was incorporated on April 18, 2016 in Israel. The Company is a development-stage technology company that is are engaged in the design, development and assembly of railway detection systems designed to solve the challenges in railway operational safety, efficiency and predictive maintenance. The Company's railway detection systems include different types of cameras, including optics, visible light spectrum cameras (video) and thermal cameras that transmit data to a ruggedized on-board computer which is designed to be suitable for the rough environment of a train's locomotive.

The Company's activities are subject to significant risks and uncertainties, has incurred significant losses since the date of its inception, and anticipates that it will continue to incur significant losses until it will be able to successfully commercialize its products. Failure to obtain this necessary capital when needed may force the Company to delay, limit or terminate its product development efforts or other operations. In addition, the Company is subject to risks from, among other things, competition associated with the industry in general, other risks associated with financing, liquidity requirements, rapidly changing customer requirements, the loss of key personnel and the effect of planned expansion of operations on the future results of the Company.

B. GOING CONCERN:

To date, the Company has not generated sufficient revenues from its activities and has incurred substantial operating losses. Management expects the Company to continue to generate substantial operating losses and to continue to fund its operations primarily through utilization of its current cash and cash equivalents and through additional raises of capital.

Such conditions raise substantial doubts about the Company's ability to continue as a going concern. Management's plan includes raising funds from existing shareholders and/or outside potential investors. However, there is no assurance such funding will be available to the Company or that it will be obtained on terms favorable to the Company or will provide the Company with sufficient funds to successfully complete the development of, and to commercialize, its products. These financial statements do not include any adjustments relating to the recoverability and classification of assets, carrying amounts or the amount and classification of liabilities that may be required should the Company be unable to continue as a going concern.

C. Impact of COVID-19 Pandemic:

With the ongoing COVID-19 global pandemic, the Company has implemented business continuity plans designed to address and mitigate the impact of the COVID-19 pandemic on its employees and its business. Given the global impact and the other risks and uncertainties associated with the pandemic, the Company's business, financial condition and results of operations could be materially adversely affected. The Company continues to closely monitor the COVID-19 pandemic and evolve its business continuity plans, its development plans and response strategy to mitigate any potential impact. As of the date of issuance of these financial statements, the Company is not aware of any specific event or circumstance that would require the Company to update its estimates, assumptions and judgments or revise the carrying value of its assets or liabilities. Actual results could differ from those estimates, and any such differences may be material to the Company's financial statements.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation:

The financial statements have been prepared in conformity with accounting principles generally accepted in United Sates of America ("US GAAP").

B. Use of estimates in the preparation of financial statements:

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Company's management believes that the estimates, judgments and assumptions used are reasonable based upon information available at the time they are made. These estimates, judgments and assumptions can affect reported amounts and disclosures made. Actual results could differ from those estimates.

C. Issuance of bonus shares:

On February 13, 2022, the Company effected a bonus shares issuances under Israeli law to reflect the effect of 44-for-1forward share split of the Company's ordinary shares. Accordingly, (i) for each one share of outstanding ordinary shares, 43 additional ordinary shares were issued and distributed to the holder thereof; (ii) the number of shares of ordinary shares issuable upon the exercise of each outstanding convertible preferred shares, warrant and option was proportionately increased by 43 additional ordinary shares; (iii) the exercise price of each outstanding option to purchase ordinary shares was proportionately adjusted; (iv) the authorized number of ordinary shares was increased in order to reflect such issuance of bonus shares; and (v) the par value of ordinary shares was not adjusted as result of this issuance of bonus shares. All the share numbers, share prices, and exercise prices have been adjusted retroactively within these financial statements to reflect the issuance of the bonus shares.

D. Financial statement in U.S. dollars:

The functional currency of the Company is the U.S. dollar ("dollar" or "$") since the dollar is the currency of the primary economic environment in which the Company has operated and expects to continue to operate in the foreseeable future.

Transactions and balances denominated in dollars are presented at their original amounts. Transactions and balances denominated in foreign currencies have been re-measured to dollars.

All transaction gains and losses from re-measurement of monetary balance sheet items denominated in non-dollar currencies are reflected in the statements of comprehensive loss as financial income or expenses, as appropriate.

E. Cash and cash equivalents and restricted cash:

Cash equivalents are short-term highly liquid investments that are readily convertible to cash with maturities of three months or less as of the date acquired and that are readily convertible to known amounts of cash and subject to an insignificant risk. Restricted cash consists of deposits pledged to a bank that provided guarantee in connection with an operating lease.

F. Fair value of financial instruments:

The carrying values of cash and cash equivalents, restricted cash, trade accounts payable, accrued expenses and employees and related expenses, which are recorded in other accounts payable, approximate their fair value due to the short-term maturity of these instruments.

ASC 820, "Fair Value Measurements and Disclosures," defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions and risk of nonperformance.

(U.S. dollars in thousands, except share and per share data)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

G. Fixed assets:

Fixed assets are stated at cost, less accumulated depreciation. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets. The annual depreciation rates are as follows:

	%
Office furniture and equipment	7-15
Computer software and electronic equipment	33
Laboratory equipment	7-15
Leasehold improvements	Over the shorter of the lease term (including the option) or useful life

H. Impairment of long-lived assets:

The Company's long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to the future undiscounted cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds their fair value. During 2019 and 2020, no impairment losses were recognized.

I. Accrued post-employment benefit:

Under Israeli employment laws, employees of the Company are covered under Section 14 of the Severance Compensation Act, 1963 ("Section 14") for a portion of their salaries. According to Section 14, these employees are entitled to receive monthly deposits (payments) made by the Company on their behalf with insurance companies.

Payments in accordance with Section 14 release the Company from any future severance payments (under the Israeli Severance Compensation Act, 1963) with respect of those employees. The obligation to make the monthly deposits is expensed as incurred. In addition, the aforementioned deposits are not recorded as an asset in the Company's balance sheet, and there is no liability recorded as the Company does not have a future obligation to make any additional payments.

J. Revenue recognition:

The Company applies ASC 606 "Revenue from contracts with customers" ("ASC 606"). Under ASC 606, revenue is measured as the amount of consideration the Company expects to be entitled to, in exchange for transferring products or providing services to its customers and is recognized when or as performance obligations under the terms of contracts with the Company's customers are satisfied. ASC 606 prescribes a five-step model for recognizing revenue from contracts with customers: (i) identify contract(s) with the customer; (ii) identify the separate performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the separate performance obligations in the contract; and (v) recognize revenue when (or as) each performance obligation is satisfied.

At contract inception, once the contract is determined to be within the scope of ASC 606, the Company assesses whether the goods or services promised within each contract are distinct and, therefore, represent a separate performance obligation. Goods and services that are determined not to be distinct are combined with other promised goods and services. The Company then allocates the transaction price (the amount of consideration the Company expects to be entitled to from a customer in exchange for the promised goods or services) to each performance obligation and recognizes the associated revenue when (or as) each performance obligation is satisfied.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

J. Revenue recognition (Cont.):

Revenues from product sales are recognized upon the transfer of control, which is generally upon shipment or delivery.

Deferred revenue represents amounts received by the Company for which the related revenues have not been recognized because one or more of the revenue recognition criteria have not been met.

The current portion of deferred revenue represents the amount to be recognized within one year from the balance sheet date based on the estimated performance period of the underlying performance obligation. As of December 31, 2020, the Company's deferred revenue balance is $634 (no balance as of December 31, 2019). See Note 5 below.

K. Share-based payment:

The Company applies ASC 718-10, "Share-Based Payment," which requires the measurement and recognition of compensation expenses for all share-based payment awards made to employees and directors including share options granted under the Company's incentive share option plan based on estimated fair values**.**

ASC 718-10 requires companies to estimate the fair value of share-based payment awards on the date of grant. The value of the portion of the share-based payment award that is ultimately expected to vest is recognized as an expense over the requisite service periods in the Company's statements of comprehensive loss.

In June 2018, the Financial Accounting Standards Board ("FASB") issued ASU 2018-07, "Compensation-Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting", which simplifies the accounting for non-employee share-based payment transactions by aligning the measurement and classification guidance, with certain exceptions, to that for share-based payment awards to employees. The amendments expand the scope of the accounting standard for share-based payment awards to include share-based payment awards granted to non-employees in exchange for goods or services used or consumed in an entity's own operations and supersedes the guidance related to equity-based payments to non-employees. The Company elected to early adopt these amendments on January 1, 2019.

Prior to the adoption, the Company accounted for stock options issued to non-employees under ASC 505-50, "Equity: Equity-Based Payments to Non-Employees," which required the fair value of such non-employee awards to be re-measured at each quarter-end over the vesting period. After the adoption of ASU 2018-07, the accounting guidance is consistent with accounting for employee share-based payment.

The Company estimates the fair value of share options granted as share-based payment awards using a Black-Scholes option pricing model. The Black-Scholes option pricing model requires a number of assumptions, of which the most significant are share price, expected volatility and the expected option term (the time from the grant date until the options are exercised or expire). Expected volatility is estimated based on volatility of similar companies in the technology sector. The expected option term is calculated for options granted to employees and directors using the "simplified" method, and grants to non-employees are based on the contractual term. The Company has historically not paid dividends and has no foreseeable plans to pay dividends. The risk-free interest rate is based on the yield from Israel Treasury zero-coupon bonds with an equivalent term. Changes in the determination of each of the inputs can affect the fair value of the share options granted and the results of operations of the Company.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

L. Leases:

On January 1, 2019, the Company early adopted ASU 2016-02, Leases (Topic 842) ("ASU 2016-02") using the modified retrospective approach for all lease arrangements as of such date. The Company leases office space and vehicles under operating leases.

Operating leases are included in operating lease right of use ("ROU") assets and operating lease liabilities in the Company's balance sheets. ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities were recognized based on the present value of the remaining lease payments over the lease term. Because rate implicit in the Company's leases are not readily determinable, the Company's incremental borrowing rate is used in determining the present value of lease payments. The operating lease ROU asset excludes lease incentives. The expected lease terms include options to extend or terminate the lease when it is reasonably certain that such options will be exercised. Operating lease expense for is recognized on a straight-line basis over the lease term, variable payments are expensed in the periods incurred.

The Company has made an accounting policy election not to recognize ROU assets and lease liabilities that arise from leases with initial terms of 12 months or less. Instead, the Company continue to record such lease expenses on a straight-line basis over the lease term in the statements of comprehensive loss.

M. Research and development expenses, net:

Research and development expenses, net, are charged to the statements of comprehensive loss as incurred.

N. Basic and diluted net loss per ordinary share:

Basic loss per ordinary share is computed by dividing the net loss by the weighted average number of ordinary shares outstanding during the year. Diluted loss per share is computed by dividing the net loss by the weighted average number of ordinary shares outstanding plus the number of additional ordinary shares that would have been outstanding if all potentially dilutive ordinary shares had been issued, using the treasury stock method. Potentially dilutive ordinary shares were excluded from the diluted loss per share calculation because they were anti-dilutive.

O. Recent Accounting Standards

In June 2016, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2016 -13, "Financial Instruments—Credit Losses," requiring measurement and recognition of expected credit losses on certain types of financial instruments. The guidance will be effective for the Company beginning January 1, 2023, and interim periods therein. Early adoption is permitted. The Company is currently evaluating the effect that ASU 2016-13 will have on its financial statements.

In December 2019, the FASB issued ASU 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes," which is intended to simplify various aspects related to accounting for income taxes. ASU 2019-12 removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. The guidance will be effective for the Company beginning January 1, 2022, and interim periods in fiscal years beginning January 1, 2023. Early adoption is permitted. The Company does not expect ASU 2019-12 to have a material effect on the Company's current balance sheet, statement of comprehensive income or financial statement disclosures.

(U.S. dollars in thousands, except share and per share data)

NOTE 3 - OTHER CURRENT ASSETS

Composition:

	December 31,	
	2019	**2020**
Government institutions	$ 180	$ 128
Prepaid expenses	—	9
Other	9	36
	189	173

NOTE 4 - FIXED ASSETS, NET

	December 31,	
	2019	**2020**
Cost:		
Computers and software	$ 475	$ 565
Laboratory equipment	174	181
Furniture and office equipment	111	114
Leasehold improvement	132	134
	892	994
Accumulated depreciation:		
Computers and software	$ 325	$ 456
Laboratory equipment	15	34
Furniture and office equipment	21	28
Leasehold improvement	20	33
	381	551
Carrying amount	511	443

Depreciation expenses for the years ended December 31, 2020, and 2019 were $190 and $183, respectively.

NOTE 5 - OTHER ACCOUNTS PAYABLE

	December 31,	
	2019	**2020**
Employees and related expenses	$ 569	$ 713
Accrued expenses	112	307
Deferred revenues (*)	—	634
	681	1,654

(*) See also Notes 6C and 6D below.

NOTE 6 - COMMITMENTS AND CONTINGENCIES LIABILITIES

A. Collaboration Agreement with Israel Railways Ltd. ("Israel Railways"):

In August 2016, the Company and Israel Railways entered into an agreement for cooperation between the parties, which was further amended on January 19, 2020 ("the Railway Agreement"). Under the Railway Agreement, the Company undertook to fulfill certain functions for the development, marketing, distribution and sale of the systems, and Israel Railways undertook to provide the Company with services and the means to perform tests and experiments, mainly in the form of logistics and manpower, and to provide the Company with information on certain data that will be provided at the discretion of Israel Railways.

Pursuant to the Railway Agreement, the Company agreed to pay Israel Railways the following:

- During the period from August 3, 2016 until the earliest of (a) a period of 5 years from the date of the first commercial sale or (b) the date of an Initial Public Officering ("IPO") or (c) a change of control (as defined in the Railway Agreement), Israel Railways will be entitled to a payment of royalties in the amount of 2.75% of the Company's net sales.

- During the period from August 3, 2016 until the earliest of: (a) the date of an IPO, (b) a change of control (as defined in the Railways Agreement) Israel Railways will be entitled to a payment of a total of 1.5% of the total proceeds from an IPO or consideration, received by the Company or its shareholders, as a result of change of control (as defined in the Railway Agreement).

As of December 31, 2019, and 2020, the Company has no liability in respect of such royalties.

The Railway Agreement further provides that Israel Railways will be entitled to purchase the Company's products and services at a price equal to half the lowest price charged by the Company for those products and services to an unrelated third party.

In addition, as part of the Railway Agreement and in consideration for services provided to the Company by Israel Railways, the Company granted Israel Railways an option to purchase 195,448 of the Company's ordinary shares at their par value which was initially exercisable upon the earlier of an IPO or a change of control (as defined in the Railway Agreement), (see note 8D(1)). Subsequent to December 31, 2020, on July 1, 2021, the Railway Agreement was amended regarding the period of exercise of the option, see Note 14C.

The Railway Agreement may be terminated by either party, with 60 days' prior written notice. Also, in the event of a change of control in the Company, Israel Railways may terminate the Railway Agreement with 30 days' prior written notice.

B. Service Agreement with a Consultant:

In December 2020, the Company entered into a service agreement with a consultant (the "Consultant") according to which the Consultant will lead, control and consult the Company's management in its negotiations with Israel Railways relating the Homologation Process (as defined below) and the commercial sales the Company's systems to Israel Railways.

The "Homologation Process" shall include defining and receiving all the required written licenses, consents and approvals, both in Israel and abroad, for installing the Company's systems on Israel Railways locomotives for operational use.

NOTE 6 - COMMITMENTS AND CONTINGENCIES LIABILITIES (Cont.)

B. Service Agreement with a Consultant (Cont.):

If a written consent from the authorized representatives of the Israel Railway to enter into an Homologation Process with the Company and subject to its successful completion, to enter into negotiation regarding the purchase of the Company's systems by Israel Railway (the "Triggering Event") was received by the Company, then:

- Subject to satisfactory completion of the Homologation Process no later than 12 months as of the Triggering Event, the Company shall pay the Contractor a onetime bonus payment of NIS 150,000, plus VAT (approximately $47).

- Subject to satisfactory completion of commercial sales of the Company's systems, no later than 18 months as of the Triggering Event, the Company shall pay the Contractor a onetime bonus payment of NIS 350,000, plus VAT (approximately $109).

In addition, following the Triggering Event, the Company agreed to grant options to the Consultant for the purchase of 25,080 of the Company's ordinary shares at an exercise price of $6.14 per share. The Consultant will be eligible to exercise the options upon completion of both the Homologation Process and the sale process for a period of 24 months from the date of their grant. As of December 31, 2020, the Triggering Event has not yet occurred (regarding the occurrence of the Triggering Event subsequent to December 31, 2020 see also Note 14F). In return for his services, in addition to the bonus, the Company agreed to pay the Consultant a monthly remuneration in the amount of approximately $3, plus VAT.

The service agreement is in effect from November 1, 2020, until the completion of the services determined in the agreement, as detailed above. Either party may terminate the agreement with 30 days' notice. On July 29, 2021, the Company sent a termination notice to the Consultant.

C. Memorandum of Understanding between the Company and Knorr-Bremse:

On September 17, 2020, a non-binding Memorandum of Understanding was signed between the Company and Knorr-Bremse (the "Memorandum of Understanding") regarding cooperation between the parties with respect to Light Rail Vehicle("LRV") systems.

In the Memorandum of Understanding, the Company undertook to make further adjustments and/or development to its LRV system, if required by Knorr-Bremse and agreed by the Company. Knorr-Bremse undertook to indemnify the Company for any costs of such adjustments and developments, subject to prior approval by Knorr-Bremse.

In the Memorandum of Understanding, it was agreed that the parties will negotiate a detailed cooperation agreement in good faith, in which they will determine, among other things, the terms of sale of the LRV systems by the Company to Knorr-Bremse.

The Memorandum of Understanding will be in effect from the date of its signing until the earliest of: (a) the signing of a binding cooperation agreement between the parties which will replace the Memorandum of Understanding; (b) a notice by one of the parties that it is interested in terminating the Memorandum of Understanding and the negotiations between the parties on the cooperation agreement; or (c) 12 months from the date of signing the Memorandum of Understanding. Accordingly, the Memorandum of Understanding has expired in September 2021. Following the signing of the Memorandum of Understanding, in December 2020, Knorr-Bremse placed a purchase order to the Company for developing two prototypes of the LRV system according to specifications required by Knorr-Bremse. In return for the development of the two prototypes, Knorr-Bremse is expected to pay the Company a total of approximately EUR 397 thousand (approximately $476). During December 2020, Knorr-Bremse paid to the Company in advance according to the terms of the purchase order, EUR 320 thousand (approximately $382). As of December 31, 2020, deferred revenues are recorded in other accounts payable (see Note 5). During July 2021, the Company delivered one of the LRV system prototype to Knorr-Bremse.

NOTE 6 - COMMITMENTS AND CONTINGENCIES LIABILITIES (Cont.)

D. Framework agreement with Knorr-Bremse Rail Systems Schweiz AG ("KBCH"):

In August 2020, the Company entered into a framework agreement (the "Framework Agreement") with KBCH (a subsidiary of Knorr-Bremse operating in Switzerland) regarding the supply of a prototype of the Company's shunting yard system to SBB Cargo ("SBBC"), a freight train company in Switzerland.

Under the Framework Agreement, the Company provided KBCH with one prototype of the shunting yard system which has been installed on a shunting locomotive in the SBBC shunting yard, for the purpose of examining the operational performance of the shunting yard system (the "Operational Function Test"). The Company undertook to include in the prototype certain features as required by SBBC and to be responsible for the prototype's function, for a period of one year following its installation.

The prototype was supplied by the Company in October 2020 and installed in an SBBC operating locomotive. According to the Framework Agreement, at the end of three months from the beginning of the Operational Function Test, which has begun in the second quarter of 2021, and after receiving appropriate regulatory approvals, representatives of the three parties will meet to evaluate test results and shunting yard system performance.

In consideration for the prototype provided for the Operational Function Test, KBCH paid the Company the amount of approximately EUR 244 thousand (approximately $292). In addition, in order to support the Operational Function Test procedure, the Company undertook to provide various professionals, as needed, in exchange for payment at the maximum rates and amounts determined in the Framework Agreement. In addition, the Framework Agreement determines a division between the Company and KBCH regarding additional support actions for SBBC, as needed, in the Operational Function Test process. The above transaction price has not yet been recognized in the Company's statements of comprehensive loss and were recorded as of December 31, 2020 as deferred revenues in other accounts payable (less specific costs attributed to the above project) in the amount of approximately $218 thousand. On May 2021, KBCH paid the Company a total of approximately EUR 110 thousand (approximately $132) for the Company's services to support the installation and operation of the shunting yard system, and participation in part of the overall licensing process.

Under the Framework Agreement, SBBC may order from the Company, through KBCH, 30 shunting yard systems, subject to the fulfillment of the conditions determined in the Framework Agreement.

The period of the Framework Agreement is from the date of its signing until the end of ten years from the successful installation of 30 shunting yard systems in SBBC facilities. Either party will be entitled to terminate the Framework Agreement immediately in the event of cancellation of the agreement between KBCH and SBBC for any reason or if the order of the 30 shunting yard systems is not executed.

NOTE 7 - CONVERTIBLE PREFERRED SHARES

Issuance of Preferred A Shares

On October 13, 2020, the Company and Knorr-Bremse entered into an investment agreement under which the Company issued 51,282 Preferred A shares (convertible into 2,256,408 ordinary shares) to Knorr-Bremse, in exchange for a total investment of $10,000. The Company received $5,000 (gross) on October 13, 2020 and $5,000 (gross) on April 13, 2021. As of December 31, 2020, the net proceeds, after deducting closing costs and fees, amounted to $4,965.

Following the above investment, Knorr-Bremse holds approximately 36.8% of the Company's issued and paid-up share capital.

In addition, the Company was given, under the investment agreement, an option to demand Knorr-Bremse to invest an additional amount of $ 5,000 (which would have raised the total investment in Preferred A shares to $15,000 (gross)) at the same price per share (the "Call Option"), provided the existence of circumstances as detailed in the investment agreement. The Call Option was accounted as a derivative and valued at zero. See also Note 14G.

Preferred A shares are entitled to all the rights of the Company's ordinary shares and additional rights as follows:

(1) Liquidation preference: Holders of Preferred A shares are entitled to priority, in respect of their Preferred A shares, in the distribution of the proceeds of a liquidation or deemed liquidation event over the Company's ordinary shareholders. The priority of Preferred A shareholders is in the amount of the return on their investment (the "Priority Amount"). The priority in the distribution to holders of Preferred A shares is on a non-participating liquidation preference basis, such that holders of Preferred A shares receive the priority amount in distribution or the amount of in the distribution on a pro rata basis (an ordinary distribution without priority in the distribution), whichever is higher.

(2) Listing rights: Holders of Preferred A shares are entitled under a shareholders' rights agreement to certain listing rights in the event of an issue in which not all the Company's ordinary shares are listed for trading and/or in the case of a combination of a sale offer on the listing date.

Holders of Preferred A shares are entitled, at their option, to convert the Preferred A shares at any time into the Company's ordinary shares at a 1:44 ratio (after adjustment for the issue of bonus shares as detailed in Note 2C above). In addition, prior to the listing of the Company's ordinary shares as part of an IPO, all Preferred A shares will be immediately converted into the Company's ordinary shares in a 1:44 ratio (after adjustment for the issue of bonus shares as detailed in Note 2C above), and, accordingly, all rights stated are revoked upon their conversion into the Company's ordinary shares.

As of December 31, 2020, the Company did not adjust the carrying values of the Preferred A shares to the deemed liquidation values of such shares since a liquidation event was not probable of occurring.

NOTE 8 - SHAREHOLDERS' EQUITY

A. The rights of ordinary shares are as follows:

The ordinary shares confer upon the holders the right to receive notice to participate and vote in general meetings of shareholders of the Company, the right to receive dividends, if declared, and the right to participate in a distribution of the surplus of assets upon liquidation of the Company.

B. Issuance of ordinary shares and warrants:

(1) In August and November 2016, the Company raised gross proceeds of $2,000 (gross) through private placements of its ordinary shares. The Company issued an aggregate of 1,465,992 ordinary shares at a price of $1.36 per share and warrants to purchase 3,135,572 ordinary shares. The warrants consist of: (i) Series A Warrants to purchase 1,465,992 ordinary shares exercisable within 18 months, at an exercise price per share of $4.3, (ii) Series B Warrants to purchase 1,465,992 ordinary shares exercisable within 30 months, at an exercise price per share of $6.14, and (iii) Series C Warrants to purchase 203,588 ordinary shares exercisable within 24 months, at an exercise price per share of $4.91. The net proceeds, after deducting closing costs and fees, amounted to $1,960.

From January 10, 2018 through May 2, 2018, Series A Warrants were exercised into 990,088 ordinary shares at an exercise price per share of $4.3 for an aggregate of $4,255 (gross), Series A Warrants to purchase 12,848 ordinary shares expired on May 2, 2018 and with respect to the remaining Series A Warrants to purchase 463,056 ordinary shares that were not exercised, the Company agreed with the holder of those warrants to extend the expiration date until August 3, 2018.

On July 11, 2018, the remaining Series A Warrants to purchase 463,056 ordinary shares for an aggregate of $1,990 (gross) were exercised.

During November 2018, Series C Warrants were exercised into 185,856 ordinary shares at an exercise price per share of $4.91 for an aggregate of $913 (gross) and the remaining Series C Warrants to purchase 17,732 ordinary shares expired on November 2, 2018.

(2) In September and October 2017, the Company raised gross proceeds $5,843 through private placements of its ordinary shares. The Company issued an aggregate of 951,676 ordinary shares at a price of $6.14 per share and warrants to purchase 951,676 ordinary shares (consisting of Series D Warrants to purchase 278,916 ordinary shares at an exercise price per share of $6.46 and Series E Warrants to purchase 672,760 ordinary shares at an exercise price per share of $5.81). The warrants were exercisable within 18 months from issuance. The net proceeds, after deducting closing costs and fees, amounted to $5,280. In addition, after deducting the fair value of ordinary shares issued to a finder, which related compensation costs were recorded in equity, the increase of the Company's equity amounted to approximately $5,192 (see Note 8D(3)).

The ordinary share issuance from September and October 2017 and the related warrants are subject to adjustments in the event of the exercise of Series A, B and C Warrants (see Note 7B(3)), in which case an applicable number of ordinary shares will be issued to purchasers of the ordinary shares from September and October 2017 to retroactively adjust their effective purchase price to align with the purchase price at which such new securities are issued and the exercise price of Series D Warrants and Series E Warrants will be reduced accordingly.

Corresponding to the Series A and C Warrants exercise (see Note 8B(2)), 97,548 ordinary shares were issued and the exercise price of Series D Warrants and Series E Warrants was adjusted to $6.21 and $5.66, respectively.

NOTE 8 - SHAREHOLDERS' EQUITY (Cont.)

B. Issuance of Ordinary shares and warrants (Cont.)

(3) From February through May 2018, the Company raised gross proceeds of $2,700 (gross) through private placements of its ordinary shares. The Company issued an aggregate of 184,844 ordinary shares at $14.6 per share. The net proceeds, after deducting closing costs and fees, amounted to $2,511.

The private placement in February through May 2018 included anti-dilution protection, such that in the event that within a period of 15 months as of the closing date of the share purchase agreement, the Company will issue new securities, or upon an exit event as defined in the share purchase agreement, an applicable number of ordinary shares will be issued to the purchasers of the ordinary shares to retroactively adjust their effective purchase price to equal a 30% discount of the purchase price of such new securities, or the price per share underlying such exit event, as applicable, provided that in no event shall the adjusted price per share exceed the original price per share. In the event an exit event or an issuance of new securities is not consummated during a period of 15 months as of the closing date, an applicable number of ordinary shares will be issued to the purchasers of the ordinary shares to retroactively adjust their effective price per share to $10.43.

The investment transaction detailed in Note 8B(5) below, subsequently triggered the anti-dilution rights detailed above and accordingly an additional 510,752 ordinary shares were issued to the purchasers in February through May 2018.

(4) On March 19, 2019, the Company and Knorr-Bremse Systeme für Schienenfahrzeuge GmbH, an affiliate of Knorr-Bremse AG (Knorr-Bremse" or "KB") entered into an agreement whereby KB invested $9,941 (after deducting closing costs and fees) in the Company in consideration of an issuance of an aggregate number of 1,803,296 ordinary shares of the Company at a price per share equal to $5.54.

According to the agreement, the consideration for the investment was transferred to the Company in two installments: $5,000 at closing and an additional $5,000 in September 2019.

KB were also issued warrants to purchase up to 655,732 of the Company's ordinary shares at an exercise price per share of $5.54 (the "KB Warrants"). The KB Warrants shall become exercisable (i) only upon an exercise of warrants of the respective class (i.e. Series B Warrants, Series D Warrants and Series E Warrants, as the case may be), and (ii) only for the number of additional ordinary shares in accordance with the formula of approximately 20% of the number of issued ordinary shares originating from the exercised KB Warrants of the respective class, all as specified in the agreement. As of December 31, 2019, all of the KB Warrants have been exercised (see also Note 8B(6) - (8) below) or expired.

(5) During March 2019, Series D Warrants to purchase 81,884 of the Company's ordinary shares were exercised for an aggregate of $470 (gross) and Series D Warrants to purchase 214,500 ordinary shares expired on March 19, 2019.

(6) During April 2019, Series E Warrants to purchase 303,512 of the Company's ordinary shares were exercised for an aggregate of $1,711 (gross) and Series E Warrants to purchase 434,016 ordinary shares expired on April 6, 2019.

(7) During May 2019, Series B Warrants to purchase 234,608 of the Company's ordinary shares were exercised for an aggregate of $1,411 (gross) and Series B Warrants to purchase 1,281,456 ordinary shares expired on May 1, 2019.

NOTE 8 - SHAREHOLDERS' EQUITY (Cont.)

C. Equity Incentive Plan:

In January 2017, the Board of Directors (the "Board") of the Company authorized an incentive share option plan ("2017 Plan"). The 2017 Plan provides for the grant of incentive share options to employees and service providers of the Company. Awards may be granted under the 2017 Plan until January 31, 2027.

According to the 2017 Plan, the aggregate number of ordinary shares that may be issued pursuant to awards will not exceed 2,332,352 ordinary shares.

D. Shares and options to service providers:

The fair value for the options to service providers was estimated on their measurement date determined using a Black-Scholes option pricing model, with the following weighted-average assumptions: weighted average volatility of 70%, risk free interest rates of 1.4%, dividend yields of 0% and a weighted average life of the options of up to 5 years.

(1) As part of the Railway Agreement, from August 3, 2016 to the amendment date on January 19, 2020, the Company issued options to purchase up to 195,448 ordinary shares of the Company, with an exercise price of NIS 0.01 (approximately $0.003) per share. The options were exercisable on each issuance date and recorded as deferred expenses which are amortized over 5 years beginning August 2016. In respect of such option issuance, amounts of $305 and $331 were recorded in the Company's statements of comprehensive loss for the years ended December 31, 2019 and 2020, respectively, included in research and development expenses. See also Note 6A above.

(2) On January 4, 2018, the Company granted to three consulting service providers options to purchase 98,120 ordinary shares at an exercise price of $6.14 per share. One third of the options vested upon the first year anniversary and the remainder of the options vested in eight quarterly tranches over a period of two years. For the years ended December 31, 2019 and 2020, the Company recorded an expense of $99, for each year, in respect of such grant included in general and administrative expenses.

(3) Regarding the Company's obligation to grant options to a consultant in connection with the Company's arrangement with Israel Railways, see Note 6B above.

(U.S. dollars in thousands, except share and per share data)

NOTE 8 - SHAREHOLDERS' EQUITY (Cont.)

E. Options to employees

(1) The fair value of options was estimated using the Black-Scholes option pricing model, which was based on the following assumptions: weighted average volatility of 70%, risk free interest rates of 0.8%-1.03%, dividend yields of 0% and expected life of the options of up to 6 years.

(2) The following table summarizes the option activity for options to employees, officers and directors:

	For the year ended December 31,					
	2019			2020		
	Amount of options	Weighted average exercise price	Weighted average remaining contractual life	Amount of options	Weighted average exercise price	Weighted average remaining contractual life
		$			$	
Outstanding at beginning of period	681,912	6.14	5.75-6.0	706,728	6.14	4.75-5
Granted	132,044	6.14	5.0	1,502,248	6.14	5.33-7.87
Exercised	—			—	—	
Forfeited	(107,228)	6.4		(569,184)	6.14	
Outstanding at end of period	706,728	6.14	4.75-5.0	1,639,792	6.14	4.75-7.87
Exercisable at end of period	181,984	6.14	4.75-5.0	595,980	6.14	4.75-7.87

(3) Options granted:

a) On January 4, 2018, the Company granted options to purchase 452,496 ordinary shares to its employees and directors at an exercise price of $6.14 per share. These options expire 10 years after their grant date and vest over three years. One third of the options vested upon the first-year anniversary of the grant date and the remainder of the options vested in eight equal quarterly tranches over a period of two years thereafter. For the years ended December 31, 2019 and 2020, the Company recorded an expense of $469 and $409, respectively, in respect for such grant.

b) On June 24, 2018, the Company granted options to purchase 196,504 ordinary shares to its employees and directors at an exercise price of $6.14 per share. These options expire 10 years after their grant date and vest over three years in nine tranches. One third of the options vested upon the first-year anniversary and the reminder vested in eight equal quarterly tranches over a period of two years thereafter. For the years ended December 31, 2019 and 2020, the Company recorded an expense of $368 and $303, respectively, in respect for such grant.

NOTE 8 - SHAREHOLDERS' EQUITY (Cont.)

E. Options to employees (Cont.)

c) On January 22, 2020, the Company granted options to purchase 671,308 ordinary shares to its employees at an exercise price of $6.14 per share (of which options to purchase 74,580 ordinary shares were to the Company's former CEO that were forfeited at the end of his employment in December 2020). These options expire 10 years after their grant date and vest over three years in nine tranches. One-third of the options vested on September 18, 2020 and the remainder vest in eight equal quarterly tranches over a period of two years thereafter. For the year ended December 31, 2020, the Company recorded an expense of $812 in respect for such grant.

d) In October 2020, the Company granted options to purchase ordinary shares to its Chairman of the Board, its current CEO (which served as VP Research and Development before his appointment as CEO) and its former CEO as follow:

The Chairman's options to purchase 556,820 ordinary shares are exercisable at an exercise price of $6.14 per share. The options vest as follows: (1) options to purchase 139,216 ordinary shares vested in one tranche at the end of 12 months from October 13, 2020; and (2) options to purchase 278,388 ordinary shares will vest in the event that the Company generate a cumulative order backlog (as defined in the option agreement) in the amount of not less than $7,000 by the end of 18 months from October 13, 2020; (3) options to purchase 139,216 ordinary shares will vest in the event that the Company reaches a cumulative order backlog of $15,000 by the end of 24 months from October 13, 2020 (including the first cumulative order backlog); and all subject to him serving as the Active Chairman of the Company's Board of Directors at the time of vesting.

The Company's current CEO options to purchase 61,600 ordinary shares at an exercise price of $6.14 per share vest as follows: (1) options to purchase 30,800 ordinary shares will vest on the condition that the Company reaches, no later than October 12, 2022 a cumulative order backlog (as defined above) in an amount not less than $10,000; and (2) options to purchase the remaining 30,800 ordinary shares will vest on the condition that the Company reaches, no later than October 12, 2024 a cumulative order backlog (as defined above) in an amount not less than $20,000 (including the first cumulative order backlog); and all subject to him serving in his position at the time of vesting.

The Company's former CEO options to purchase 2,380 ordinary shares were forfeited at the end of his employment in December 2020.

For the year ended December 31, 2020, the Company recorded an expense of $211 in respect for such grant.

e) On November 3, 2020, the Company granted options to purchase 107,800 ordinary shares to its employees at an exercise price of $6.14 per share. These options expire 10 years after their grant date and vest over three years in nine tranches. One-third of the options vested on November 3, 2021 and the remainder vest in eight equal quarterly tranches over a period of two years thereafter.

For the year ended December 31, 2020, the Company recorded an expense of $14 in respect for such grant.

(U.S. dollars in thousands, except share and per share data)

NOTE 8 - SHAREHOLDERS' EQUITY (Cont.)

F. Share Based Payment Expense:

The total share-based payment expense related to options granted to employees and service providers comprised, at each period, as follows:

	Year ended December 31,	
	2019	2020
Research and development	$ 690	$ 1,119
General and administrative	667	1,162
Total share-based payment expense	1,357	2,281

NOTE 9 - RESEARCH AND DEVELOPMENT, NET

	Year ended December 31,	
	2019	2020
Payroll and related expenses	$ 4,953	$ 5,065
Share-based payment	690	1,119
R&D consumables	635	390
Rent and office maintenance	377	359
Depreciation	166	123
Subcontracted work and consulting	194	82
Travel and other expenses	141	67
	7,156	7,205

NOTE 10 - GENERAL AND ADMINISTRATIVE

	Year ended December 31,	
	2019	2020
Payroll and related expenses	$ 1,219	$ 1,563
Share-based payment	667	1,162
Professional services	736	555
Travel expenses	112	26
Rent and office maintenance	126	120
Depreciation	17	67
Marketing	13	7
	2,890	3,500

(U.S. dollars in thousands, except share and per share data)

NOTE 11 - TAXES ON INCOME

A. The Company is subject to income taxes under Israeli tax laws:

1. The Israeli corporate tax rate was 23% in 2020 and 2019.

2. As of December 31, 2020, the Company generated net operating losses of approximately $26,120, which may be carried forward and offset against taxable income in the future for an indefinite period.

3. The Company is still in its development stage and has not yet generated revenues. Therefore, it is more likely than not that sufficient taxable income will not be available for the tax losses to be utilized in the future. Therefore, a valuation allowance was recorded to cover the entire balance of the deferred tax assets.

	December 31,	
	2019	2020
Deferred tax assets:		
Deferred taxes due to carryforward losses	$ 5,380	$ 6,008
Valuation allowance	(5,380)	(6,008)
Net deferred tax asset	—	—

4. The Company has no uncertain tax positions and foreign sources of income.

5. Regarding income tax assessment received by the Company subsequent to the balance sheet date, see Note 14E. below.

NOTE 12 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Parties considered to be related to the Company if the parties directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

A. Transactions:

	Year ended December 31,	
	2019	2020
Severance payment to former Company CEO (2)	—	$ 234

(U.S. dollars in thousands, except share and per share data)

NOTE 12 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont.)

B. Balances:

	December 31,	
	2019	**2020**
Deferred revenues (1)	—	$ 632
Severance expenses to former Company CEO (2)	—	$ 234

(1) See Notes 6C and 6D above.

(2) During December 2020, the Company's former CEO was terminated. According to his employment agreement, the Company paid severance compensation in the amount of $234 on January 2021

NOTE 13 – LEASES

As of December 31, 2020, the Company leases office space, which has remaining terms of approximately 3.67 years (which include options to extend the lease for additional 3 years) and a discount rate of 5%. The period which is subject to an option to extend the lease is included in the lease term as it is reasonably certain that the option will be exercised. The Company has no finance leases.

The components of lease expenses recorded in the statements of comprehensive loss were as follows:

	Year ended December 31,	
	2019	**2020**
Operating lease expenses	388	375
Short-term lease expenses	16	27
	404	402

Future lease payments under operating leases as of December 31, 2020 were as follows:

2021	345
2022	433
2023	433
2024	281
Total future lease payments	1,492
Less imputed interest	(132)
Total lease liability balance	1,360

NOTE 14 - SUBSEQUENT EVENTS

The Company evaluated subsequent events through January 10, 2022, the date the financial statements were issued, except for items (G), (H) and (I) as to which the date is February 17, 2022. The Company has concluded that no subsequent event has occurred that require disclosure other than the below:

A. Lease Update

On April 4, 2021, the Company signed an amendment to the lease of the Company's offices in Raanana, Israel (see Note 13 above), according to which, instead of the additional lease period under the option in the lease, the Company extended the lease period for another five years beginning on September 9, 2021 (the date the current lease period ends) until September 8, 2026 (the "Lease Amendment").

According to the Lease Amendment, the monthly rent for the Company's offices (excluding parking and management fees) will be approximately NIS 79 thousand (approx. $25) in the first two years, NIS 82 thousand (approx. $26) in the third and fourth lease years and NIS 83 thousand (approx. $26) in the fifth year. All the amounts are linked to the Consumer Price Index.

According to the Lease Amendment, the Company has an option to extend the lease period for another five years from September 9, 2026, to September 8, 2031 with a monthly rent of between NIS 96 thousand (approx. $30) and NIS 102 thousand (approx. $32) over the additional lease period.

B. Agreement for supplying equipment and services with Hitachi Rail STS Australian Pty Ltd. ("STS")

On April 2021, the Company entered into an agreement to supply equipment, personnel and services ("Supply Agreement") with STS, which enables STS, as the main supplier, to supply to the Australian railway company Rio Tinto Railway Network ("RTIO") a prototype of the Company's system (the "System"), for demonstrations and examining the operational activity of the System (the "Project").

In return for the Project, STS undertook to pay the Company a total of approximately $265 and an option for additional payments of up to $133, subject to ordering additional services during the Project.

C. Israel Railways:

On May 30, 2021, Israel Railways informed the Company that the Israel Railways Board of Directors approved the exercise of the option. According to Government Resolution No. 3837, the decision of the Railway Board of Directors requires the approval of the Minister of Finance, the Minister of Transportation, the Budget Director in the Ministry of Finance and the Director of the Government Companies Authority ("Government Approval"). As of the date of this prospectus, the decision of the Board of Directors of Israel Railways has not yet been approved. According to an amendment to the option agreement dated July 1, 2021, the exercise period of the option will end with the earlier of the following: (1) the passing of five business days following Israel Railways' receipt of Government Approval; or (2) the end of a year from the date of amendment of the option agreement. This period is instead of the original option period according to which the option was exercisable by Israel Railways until the date of an initial public offering or change of control (as defined in the Railways Agreement), whichever is earlier.

NOTE 14 - SUBSEQUENT EVENTS (Cont.)

D. Equity:

1) Under an investment agreement dated October 13, 2020, according to which the Company allotted 51,282 Preferred A shares (convertible into 2,256,408 ordinary shares) to Knorr-Bremse, in exchange for a total investment of approx. $10,000, half was paid on October 13, 2020 and the other half was paid on April 13, 2021. See note 7 above.

2) During April - June 2021, an aggregate of options to purchase 20,724 ordinary shares were exercised by former Company employees resulting in proceeds of $127.

E. Strategic partnership agreement between the Company and Knorr-Bremse

On August 19, 2021, the Company entered into a strategic partnership agreement which summarizes the understandings for strategic cooperation between the parties.

The agreement was approved by the Company's Board of Directors on August 25, 2021 and by the Company's General Meeting on August 26, 2021.

F. Memorandum of Understanding with Israel Railways

On August 12, 2021 the Company signed a non-binding Memorandum of Understanding ("MOU") with Israel Railways which summarizes the general terms and conditions to be included in a detailed commercial agreement between the parties.

According to the MOU, the Company and Israel Railways will conduct negotiations in good faith, with a view to entering into the commercial agreement as soon as possible before May 31, 2022. During the negotiations, Israel Railways has started conducting technical tests and analysis of the company's system on a locomotive of Israel Railways. According to the MOU, the parties intend, subject, inter alia, to meeting the success criteria set by the parties (including obtaining approvals from the Ministry of Transportation and the locomotive manufacturers where the system will be installed), that Israel Railways will purchase 6 to 10 company systems within one year of signing the MOU (and additional systems if necessary).

The signing of the said MOU constitutes the occurrence of the Triggering Event as defined in the Company's agreement with the Consultant as set forth in Note 6B above.

G. On December 2, 2021, the Company and Knorr-Bremse signed an amendment to the investment agreement as detailed in Note 7 above, regarding the expiration date of the Call Option, which was extended from December 31, 2021 to March 31, 2022. On February 14, 2022, the Company and Knorr-Bremse signed a second amendment to the investment agreement according to which from February 14, 2022 the Company is entitled to exercise the option in two installments as follows: (i) to call for up to $2,000,000 out of the option amount no later than March 31, 2022; and (ii) to call for up to $2,286,000 out of the option amount no later than June 30, 2022. The aforesaid option shall expire on the closing of the Company's initial public offering if such shall occur prior to June 30, 2022.

H. SAFE Investment

In January 2022, the company raised $1,000 ("Purchase Amount") through a Simple Agreement for Future Equity ("SAFE") agreement between the Company and its 2 main shareholders.

According to the agreement, by August 31, 2022 ("Maturity Date") the SAFE will be automatically converted to 5,128 Preferred A Shares.

In the event of an IPO before the Maturity Date, the SAFE will be automatically converted into ordinary shares equal to the Purchase Amount divided by the IPO price per share.

In the event of an M&A or dissolution event (as defined in the SAFE) before the Maturity Date, the SAFE will be automatically converted into ordinary shares equal to the Purchase Amount divided by price per share of the relevant transaction.

I. Increase of authorized share capital

On January 13, 2022, a Special General Meeting of the shareholders of the Company approved an increase of the Company's registered share capital to NIS 1,000,000 divided by 99,900,000 ordinary shares and 100,000 Preferred A shares of the Company.

Up to 3,550,000 Units Each Consisting of

One Ordinary Share and One Warrant to Purchase One Ordinary Share

Up to 3,550,000 Pre-Funded Units Each Consisting of
One Pre-Funded Warrant to Purchase One Ordinary Share and
One Warrant to Purchase One Ordinary Share

Rail Vision Ltd.

PRELIMINARY PROSPECTUS

, 2022

Sole Book-Running Manager

Aegis

Until and including , 2022, 25 days after the date of this prospectus, all dealers that buy, sell or trade our ordinary shares, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as an underwriter and with respect to unsold allotments or subscriptions.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 6. Indemnification of Directors, Officers and Employees

Indemnification

The Israeli Companies Law 5759-1999, or Companies Law, and the Israeli Securities Law, 5728-1968, or the Securities Law, provide that a company may indemnify an office holder against the following liabilities and expenses incurred for acts performed by him or her as an office holder, either pursuant to an undertaking made in advance of an event or following an event, provided its articles of association include a provision authorizing such indemnification:

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

- reasonable litigation expenses, including attorneys' fees, expended by the office holder (a) as a result of an investigation or proceeding instituted against him or her by an authority authorized to conduct such investigation or proceeding, provided that (1) no indictment (as defined in the Companies Law) was filed against such office holder as a result of such investigation or proceeding; and (2) no financial liability as a substitute for the criminal proceeding (as defined in the Companies Law) was imposed upon him or her as a result of such investigation or proceeding, or, if such financial liability was imposed, it was imposed with respect to an offense that does not require proof of criminal intent; and (b) in connection with a monetary sanction;

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

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

Exculpation

Under the Companies Law, an Israeli company may not exculpate an office holder from liability for a breach of his or her duty of loyalty, but may exculpate in advance an office holder from his or her liability to the company, in whole or in part, for damages caused to the company as a result of a breach of his or her duty of care (other than in relation to distributions), but only if a provision authorizing such exculpation is included in its articles of association.

Limitations

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

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

The Company's amended and restated articles of association to be effective upon the closing of this offering will permit the Company to exculpate, indemnify and insure its office holders to the fullest extent permitted or to be permitted by the Companies Law.

Prior to the closing of this offering, the Company intends to enter into agreements with each of its directors and executive officers exculpating them from liability to the Company for damages caused to it as a result of a breach of duty of care and undertaking to indemnify them, in each case, to the fullest extent permitted by the Company's amended and restated articles of association to be effective upon the closing of this offering and the Companies Law, including with respect to liabilities resulting from this offering to the extent that these liabilities are not covered by insurance.

Item 7. Recent Sales of Unregistered Securities

Set forth below are the sales of all securities by the Company since January 1, 2019, which were not registered under the Securities Act. The Company believes that each of such issuances was exempt from registration under the Securities Act in reliance on Section 4(a)(2) of the Securities Act, Rule 701 and/or Regulation S under the Securities Act.

In March 2019 and September 2019, we issued to Knorr-Bremse, one of our major shareholders, a total of 40,984 ordinary shares at a price of $244 per share. In addition, we granted Knorr-Bremse warrants to purchase 14,903 ordinary shares with an exercise price of $244 per share. In April 2019 and May 2019, Knorr-Bremse exercised warrants to purchase 3,007 ordinary shares, resulting in gross proceeds to us in an amount of approximately $734,000.

In October 2020, we issued to Knorr-Bremse, a total of 51,282 Preferred A shares at a price of $195 per share. The investment amount was transferred to the us in two equal installments, the first installment upon closing and the second installment on April 13, 2021. In addition, pursuant to the terms of the agreement, we were granted a call option for an additional amount of $5,000,000 at the same price per share and in exchange for the same class of shares. According to an amendment signed by and among the parties the exercise period of the option was extended and shall be in full force and effect until March 31, 2022. On February 14, 2022, we and Knorr-Bremse signed a second amendment to the investment agreement according to which from February 14, 2022 we are entitled to exercise the option in two installments as follows: (i) to call for up to $2,000,000 out of the option amount no later than March 31, 2022; and (ii) to call for up to $2,286,000 out of the option amount no later than June 30, 2022. The aforesaid option shall expire on the closing of our initial public offering if such shall occur prior to June 30, 2022. On March 6 2022, we issued to Knorr-Bremse, a total of 10,256 Preferred A shares at a price of $195 per share, after we called an amount of $2,000,000 out of the option amount.

According to an Amended and Restated Cooperation Agreement, dated January 19, 2020, with Israel Railways Ltd., we granted Israel Railways warrants to purchase 4,442 of our ordinary shares with a nominal exercise price. On May 31, 2021, Israel Railways informed us that its board of directors had approved the exercise of the warrant, however, such exercise is subject to governmental approved, which has not yet been obtained. The warrants expire on June 30, 2022.

Since January 1, 2019, the Company has granted options to purchase an aggregate of 21,188 ordinary shares (not including options to purchase 15,504 ordinary shares granted to former employees which expired upon termination and 451 options exercised to 451 ordinary shares by former employees) to employees, directors, consultants and service providers under our Option Plan, with an exercise price of $270.13 per share, 7,847 of which were vested as of December 19, 2021.

In January 2022, we entered into a Simple Agreement for Future Equity, or SAFE, with two of our current shareholders providing for financing in the aggregate amount of $1,000,000 (KB in the amount of $714,286 and Foresight in the amount of $285,714). The SAFE provides for the conversion of the investment amount into our ordinary shares under certain circumstances including in particular in the case of an initial public offering such that immediately prior to the closing of this offering the investment amount shall automatically convert into such number of our ordinary shares equal to the initial public offering price.

Item 8. Exhibits and Financial Statement Schedules

Exhibit Number	Exhibit Description
1.1*	Form of Underwriting Agreement by and among Rail Vision Ltd. and the underwriter.
3.1**	Amended and Restated Articles of Association of Rail Vision Ltd., as currently in effect.
3.2*	Amended and Restated Articles of Association of Rail Vision Ltd., to be in effect upon the completion of this offering.
4.1*	Form of Underwriter's Warrant.
4.2*	Form of Warrant Agent Agreement.
4.3*	Form of Warrant.
4.4*	Form of Warrant Agent Agreement for Pre-Funded Warrants
4.5*	Form of Pre-Funded Warrant
5.1*	Opinion of Shibolet & Co.
5.2*	Opinion of McDermott Will & Emery LLP
10.1*	Form of Indemnification Agreement.
10.2*	Rail Vision Ltd. Amended Share Option Plan.
10.3*	Compensation policy
10.4*	Amended and Restated Investors' Rights Agreement between the Company, Knorr-Bremse and Foresight, dated October 13, 2020.
10.5**	Amended and Restated Cooperation Agreement, dated January 19, 2020, by and between Rail Vision Ltd. and Israel Railways.
10.6**	Framework agreement between the Company and Knorr-Bremse Rail Systems Schweiz AG, dated August 2020.
10.7**	Investment Agreement between the Company and Knorr-Bremse, dated October 13, 2020
10.8**	Strategic Partnership Agreement by and between the Company and Knorr-Bremse, dated August 19, 2021.
23.1*	Consent of Brightman Almagor Zohar & Co., a Firm in the Deloitte Global Network
23.2*	Consent of Shibolet & Co. (included in Exhibit 5.1)
23.3*	Consent of McDermott Will & Emery LLP (contained in Exhibit 5.2)
24.1**	Power of Attorney (included in signature page of Registration Statement).
99.1**	Registrant's Representation Pursuant to Requirements of Form 20-F, Item 8.A.4.
99.2*	Consent of Inball Kreiss as Director Nominee.
99.3*	Consent of Regina Ungar as Director Nominee.
99.4*	Consent of Yossi Daskal as Director Nominee.
107**	Filing Fee Table

* Filed herein.
** Previously filed.

Financial Statement Schedules:

All financial statement schedules have been omitted because either they are not required, are not applicable or the information required therein is otherwise set forth in the Company's financial statements and related notes thereto.

Item 9. Undertakings

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

i. To include any prospectus required by section 10(a)(3) of the Securities Act;

ii. To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

iii. To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) To file a post-effective amendment to the registration statement to include any financial statements required by Item 8.A. of Form 20-F at the start of any delayed offering or throughout a continuous offering. Financial statements and information otherwise required by Section 10(a)(3) of the Act need not be furnished, provided that the registrant includes in the prospectus, by means of a post-effective amendment, financial statements required pursuant to this paragraph (a)(4) and other information necessary to ensure that all other information in the prospectus is at least as current as the date of those financial statements. Notwithstanding the foregoing, with respect to registration statements on Form F-3, a post-effective amendment need not be filed to include financial statements and information required by Section 10(a)(3) of the Act or Rule 3-19 of this chapter if such financial statements and information are contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Form F-3.

(5) That, for the purpose of determining liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell securities to such purchaser:

i. Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

ii. Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

iii. The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

iv. Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 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 Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(c) The undersigned Registrant hereby undertakes that:

(i) That for purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4), or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(ii) That for the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this amendment to the registration statement on Form F-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in Ra'anana, Israel on March 24, 2022.

RAIL VISION LTD.

By: /s/ Shahar Hania
Shahar Hania
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this amendment to the registration statement on Form F-1 has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Shahar Hania Shahar Hania	Chief Executive Officer (Principal Executive Officer)	March 24, 2022
/s/ Ofer Naveh Ofer Naveh	Chief Financial Officer (Principal Financial and Accounting Officer)	March 24, 2022
/s/ * Sam Donnerstein	Chairman of the Board	March 24, 2022
/s/ * Elen Katz	Director	March 24, 2022
/s/ * Itschak Shrem	Director	
/s/ * Eli Yoresh	Director	March 24, 2022
/s/ * Mario Beinert	Director	March 24, 2022
/s/ * Maximilian Eichhorn	Director	March 24, 2022

* /s/ Shahar Hania
Shahar Hania
Attorney-in-fact

SIGNATURE OF AUTHORIZED REPRESENTATIVE IN THE UNITED STATES

Pursuant to the Securities Act of 1933, as amended, the undersigned, Puglisi & Associates, the duly authorized representative in the United States of Rail Vision Ltd., has signed this registration statement on March 24, 2022.

Puglisi & Associates

Authorized U.S. Representative

By: /s/ Donald J. Puglisi
Name: Donald J. Puglisi
Title: Managing Director

Exhibit 1.1

UNDERWRITING AGREEMENT

[PRICING DATE], 2022

Aegis Capital Corp.

810 7th Avenue,
18th Floor
New York, NY 10019

Ladies and Gentlemen:

Rail Vision Ltd., an Israeli company (the ***"Company"***), agrees, subject to the terms and conditions in this agreement (this ***"Agreement"***), to issue and sell to Aegis Capital Corp., (the ***"Underwriter"***) an aggregate of [●] units (each, a ***"Closing Unit"***), with each Closing Unit consisting one ordinary share (the ***"Firm Shares"***), NIS 0.01 par value per share, of the Company (the ***"Ordinary Shares"***) and one warrant to purchase one Ordinary Share at an exercise price of $[●] (representing 125% of the per Closing Unit offering price (the ***"Public Offering Price"***) per whole share (the ***"Warrant"***). The Ordinary Shares referred to in this Section are hereinafter referred to as the ***"Closing Shares"*** and the Warrants referred to in this Section are hereinafter referred to as the ***"Closing Warrants"***. No Closing Units will be certificated, and the Closing Shares and the Closing Warrants comprising the Closing Units will be separated immediately upon issuance. At the option of the Underwriter, the Company agrees, subject to the terms and conditions herein, to issue and sell additional Option Securities (as defined herein). The Closing Units and the Option Securities are herein referred to collectively as the ***"Securities"***. The respective number of Closing Units and Option Securities to be purchased by each Underwriter is set forth opposite its name in Schedule I hereto. Aegis Capital Corp. has agreed to act as the Underwriter (the ***"Underwriter"***) in connection with the offering and sale of the Securities.

Definitions

"Affiliate" has the meaning set forth in Rule 405 under the Securities Act.

"Applicable Time" means [TIME] [a.m./p.m.] Eastern Time on the date hereof.

"Bona Fide Electronic Road Show" means a "bona fide electronic road show" (as defined in Rule 433(h)(5) under the Securities Act) that the Company has made available without restriction by "graphic means" (as defined in Rule 405 under the Securities Act) to any person.

"Business Day" means a day other than a Saturday, Sunday or any other day which is a federal legal holiday in the United States or any day on which the Federal Reserve Bank of New York is authorized or required by law or other governmental action to close, provided that the Federal Reserve Bank of New York shall not be deemed to be authorized or obligated to be closed due to a "shelter in place," "non-essential employee" or similar closure of physical location at the direction of any governmental authority if the bank's electronic funds transfer systems (including for wire transfers) are open for use by customers on such day.

"Commission" means the United States Securities and Exchange Commission.

"Emerging Growth Company" means an "emerging growth company" (as defined in Section 2(a) of the Securities Act).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Final Prospectus" means the prospectus in the form first filed with the Commission pursuant to and within the time limits described in Rule 424(b) under the Securities Act.

"Free Writing Prospectus" has the meaning set forth in Rule 405 under the Securities Act.

"Investment Company Act" means the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder.

"Issuer Free Writing Prospectus" means an "issuer free writing prospectus" (as defined in Rule 433(h)(1) under the Securities Act).

"Preliminary Prospectus" means any preliminary prospectus included in the Registration Statement prior to the time at which the Commission declared the Registration Statement effective.

"Pricing Disclosure Package" means the Pricing Prospectus collectively with the documents and pricing information set forth in Schedule II hereto.

"Pricing Prospectus" means the Preliminary Prospectus included in the Registration Statement at the time at which the Commission declared the Registration Statement effective.

"Prospectus Delivery Period" means such period of time after the first date of the public offering of the Closing Units as in the opinion of counsel for the Underwriter a prospectus relating to the Closing Units is required by law to be delivered (or required to be delivered but for Rule 172 under the Securities Act) in connection with sales of the Closing Units by the Underwriter or dealer.

"Registration Statement" means (a) the registration statement on Form F-1 (File No. 333-262854), including a prospectus, registering the offer and sale of the Closing Units under the Securities Act as amended at the time the Commission declared it effective, including each of the exhibits, financial statements and schedules thereto, (b) any Rule 430A Information, and (c) any Rule 462(b) Registration Statement.

"Rule 430A Information" means the information deemed, pursuant to Rule 430A under the Securities Act, to be part of the Registration Statement at the time the Commission declared the Registration Statement effective.

"Rule 462(b) Registration Statement" means an abbreviated registration statement to register the offer and sale of additional Closing Units pursuant to Rule 462(b) under the Securities Act.

"Sarbanes-Oxley Act" means the Sarbanes-Oxley Act of 2002, as amended, and the rules and regulations promulgated thereunder.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Testing-the-Waters Communication" means any oral or Written Communication with potential investors undertaken in reliance on Section 5(d) of under the Securities Act.

"Written Communication" has the meaning set forth in Rule 405 under the Securities Act.

"Written Testing-the-Waters Communications" means any Testing-the-Waters Communication that is a Written Communication.

1. Representations and Warranties of the Company.

The Company hereby represents and warrants to, and agrees with, each Underwriter that:

(a) Registration Statement.

(i) The Company has prepared and filed the Registration Statement with the Commission under the Securities Act. The Commission has declared the Registration Statement effective under the Securities Act and the Company has not as of the date of this Agreement filed a post-effective amendment to the Registration Statement. The Commission has not issued any order suspending the effectiveness of the Registration Statement or any order preventing or suspending the use of the Registration Statement, the Final Prospectus, any Preliminary Prospectus, any Issuer Free Writing Prospectus or any Testing-the-Waters Communication, and no proceedings for such purpose or pursuant to Section 8A of the Securities Act have been initiated, are pending before or, to the Company's knowledge, threatened by the Commission.

(ii) The Registration Statement, at the time it became effective, did not contain, and any post-effective amendment thereto, as of the effective date of such amendment, will not contain, any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided that the Company makes no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to the Underwriter furnished to the Company in writing by the Underwriter for use in the Registration Statement (including any post-effective amendment thereto), the Pricing Disclosure Package, the Final Prospectus (including any amendments or supplements thereto), any Preliminary Prospectus, any Issuer Free Writing Prospectus or any Testing-the-Waters Communication, it being understood and agreed that the only such information furnished by the Underwriter consists of the information described in Section 8(c) hereof (collectively, the ***"Underwriter Information"***).

(iii) Each of the Registration Statement and any post-effective amendment thereto, at the time it became effective and at the date hereof, complied and will comply in all material respects with the Securities Act.

(b) Pricing Disclosure Package. The Pricing Disclosure Package, as of the Applicable Time, did not, and as of the Closing Date (as defined below) and as of any Additional Closing Date (as defined below), as the case may be, will not, contain any untrue statement of a material fact or 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; provided that the Company makes no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with the Underwriter Information.

(c) Final Prospectus.

(i) Each of the Final Prospectus and any amendments or supplements thereto, as of its date, as of the time it is filed with the Commission pursuant to Rule 424(b) under the Securities Act, as of the Closing Date and as of any Additional Closing Date, as the case may be, will not contain any untrue statement of a material fact or 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; provided that the Company makes no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with the Underwriter Information.

(ii) Each of the Final Prospectus and any amendments or supplements thereto, at the time it is filed with the Commission pursuant to Rule 424(b) under the Securities Act, as of the Closing Date and as of any Additional Closing Date, as the case may be, will comply in all material respects with the Securities Act.

(d) Preliminary Prospectuses.

(i) Each Preliminary Prospectus, as of the time it was filed with the Commission pursuant to Rule 424(a) under the Securities Act, if any, did not contain any untrue statement of a material fact or 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; provided that the Company makes no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with the Underwriter Information.

(ii) Each Preliminary Prospectus, at the time it was filed with the Commission pursuant to Rule 424(a) under the Securities Act, if any, complied in all material respects with the Securities Act.

(e) Issuer Free Writing Prospectuses.

(i) Each Issuer Free Writing Prospectus, when considered together with the Preliminary Prospectus accompanying, or delivered prior to the delivery of, such Issuer Free Writing Prospectus, did not, as of the date of such Issuer Free Writing Prospectus, and will not, as of the Closing Date and as of any Additional Closing Date, as the case may be, contain any untrue statement of a material fact or 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; provided that the Company makes no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with the Underwriter Information.

(ii) Each Issuer Free Writing Prospectus, at the time of filing with the Commission, complied or will comply in all material respects with the Securities Act.

(iii) The Company has filed, or will file, with the Commission, within the time period specified in Rule 433(d) under the Securities Act, any Free Writing Prospectus it is required to file pursuant to Rule 433(d) under the Securities Act. The Company has made available any Bona Fide Electronic Road Show used by it in compliance with Rule 433(d)(8)(ii) under the Securities Act such that no filing of any "road show" (as defined in Rule 433(h) under the Securities Act) (***"Road Show"***) is required in connection with the offering of the Securities.

(iv) Except for the Issuer Free Writing Prospectuses, if any, set forth in Schedule II hereto and electronic road shows, if any, each furnished to the Underwriter before first use, the Company has not used, authorized the use of, referred to or participated in the planning for use of, and will not, without the prior consent of the Underwriter, use, authorize the use of, refer to or participate in the planning for use of, any Free Writing Prospectus.

(f) Testing-the-Waters Communications.

(i) The Company has not (x) alone engaged in any Testing-the-Waters Communication and (y) authorized anyone to engage in Testing-the-Waters Communications.

(g) No Other Disclosure Materials. Other than the Registration Statement, the Pricing Disclosure Package, and the Final Prospectus, the Company (including its agents and representatives, other than the Underwriter, as to which no representation or warranty is given) has not, directly or indirectly, distributed, prepared, used, authorized, approved or referred to, and will not distribute, prepare, use, authorize, approve or refer to, any offering material in connection with the offering and sale of the Securities.

(h) Ineligible Issuers. At the time of filing of the registration statement on Form F-1 (File No. 333-262854) registering the offer and sale of the Securities submitted to the Commission on [●], 2022 and any amendment thereto and at the date hereof, the Company was not and is not an "ineligible issuer" (as defined in Rule 405 under the Securities Act).

(i) Emerging Growth Company. 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.

(j) Due Authorization. The Company has full right, power and authority to execute and deliver this Agreement and to perform its obligations hereunder; and all action required to be taken for the due and proper authorization, execution and delivery by it of this Agreement and the Underwriter's Warrant Agreement, substantially in the form of Exhibit E hereto, (the "Underwriter's Warrant Agreement") and the consummation by it of the transactions contemplated hereby and thereby has been duly and validly taken**.**

(k) Underwriting Agreement. This Agreement and the Underwriter's Warrant Agreement have been duly authorized, executed and delivered by the Company and each, assuming the due authorization, execution and delivery by the other parties hereto and thereto, constitutes a valid and legally binding agreement of the Company, enforceable in accordance with its terms, except as (i) the enforcement hereof may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles (whether considered in a proceeding at law or in equity) relating to enforceability and (ii) rights to indemnification and contribution hereunder may be limited by applicable law and public policy considerations.

(l) No Material Adverse Change. Except as otherwise disclosed in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus (in each case exclusive of any amendment or supplement thereto), since the date of the most recent financial statements included in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus: (i) there has been no material adverse change, or any development that could result in a material adverse change, in or affecting the condition (financial or otherwise), earnings, business, properties, management, financial position, stockholders' equity, or results of operations, whether or not arising from transactions in the ordinary course of business, of the Company and its subsidiaries, considered as one entity; (ii) there has been no change in the share capital of the Company (other than (A) the issuance of Ordinary Shares upon the exercise, settlement (including any "net" or "cashless" exercises or settlements) or conversion of stock options, restricted share units, warrants or preferred shares described as outstanding, (B) the grant of options and awards under existing equity incentive plans, or (C) the repurchase of Ordinary Shares by the Company, which were issued pursuant to the early exercise of stock options by option holders and are subject to repurchase by the Company, in each case, as described in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus), or material change in the short-term debt or long-term debt of the Company or any of its subsidiaries, considered as one entity; and (iii) the Company and its subsidiaries, considered as one entity, have not incurred any material liability or obligation, indirect, direct or contingent (whether or not in the ordinary course of business); nor entered into any transaction or agreement (whether or not in the ordinary course of business) that is material to the Company and its subsidiaries, considered as one entity; and (iv) there has been no dividend or distribution of any kind declared, set aside for payment, paid or made by the Company or, except for dividends paid to the Company or other subsidiaries of the Company, any of its subsidiaries on any class of capital stock or repurchase or redemption by the Company or any of its subsidiaries of any class of capital stock.

(m) Organization and Good Standing of the Company and its Subsidiaries. The Company and each of its subsidiaries have been duly organized and are validly existing and in good standing under the laws of their respective jurisdictions of organization (if applicable in such jurisdiction), are duly qualified to do business and are in good standing in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification, and have all power and authority (corporate and other) necessary to own, lease or hold their respective properties and to conduct the businesses in which they are engaged as described in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus, except where the failure to be in good standing, to be so qualified or to have such power or authority could not, individually or in the aggregate, have a material adverse effect on the condition (financial or otherwise), earnings, business, properties, management, financial position, shareholders' equity, or results of operations of the Company and its subsidiaries, considered as one entity, or adversely affect the performance by the Company of its obligations under this Agreement (a ***"Material Adverse Effect"***).

(n) Capitalization. The capitalization of the Company is as set forth in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus under the heading "Capitalization". All of the outstanding share capital of the Company have been duly authorized and validly issued and are fully paid and non-assessable. The Securities and the Underwriter's Securities have been duly authorized and, when issued and paid for as contemplated herein, will be validly issued, fully paid and non-assessable; the holders thereof are not and will not be subject to personal liability by reason of being such holders; the Securities and the Underwriter's Securities are not and will not be subject to the preemptive rights of any holders of any security of the Company or similar contractual rights granted by the Company except as validly waived or complied with; and all corporate action required to be taken for the authorization, issuance and sale of the Securities and the Underwriter's Securities has been duly and validly taken. When paid for and issued in accordance with the Underwriter's Warrant Agreement, the underlying Ordinary Shares will be validly issued, fully paid and non-assessable; the holders thereof are not and will not be subject to personal liability by reason of being such holders; the underlying Ordinary Shares are not and will not be subject to the preemptive rights of any holders of any security of the Company or similar contractual rights granted by the Company except as validly waived or complied with; and all corporate action required to be taken for the authorization, issuance and sale of the Underwriter's Warrant Agreement has been duly and validly taken. None of the outstanding share capital of the Company were issued in violation of any preemptive rights, rights of first refusal or other similar rights to subscribe for or purchase securities of the Company. Except as disclosed in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus, there are no authorized or outstanding options, warrants, preemptive rights, rights of first refusal or other rights to acquire, or instruments convertible into or exchangeable or exercisable for, any shares of, or other equity interest in, the Company or any of its subsidiaries. All of the outstanding shares of, or other equity interest in, each of the Company's subsidiaries (i) have been duly authorized and validly issued, (ii) are fully paid and non-assessable and (iii) are owned by the Company, directly or through the Company's subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance, charge, claim or restriction on voting or transfer (collectively, ***"Liens"***).

(o) Stock Plans. With respect to the stock options (the ***"Stock Options"***) granted pursuant to the stock-based compensation plans of the Company (the ***"Company Stock Plans"***), (i) (the ***"Code"***), so qualifies, (ii) each grant of a Stock Option was duly authorized by all necessary corporate action, including, as applicable, approval by the board of directors of the Company (or a duly constituted and authorized committee thereof) and any required stockholder approval by the necessary number of votes or written consents, and the award agreement governing such grant (if any), to the Company's knowledge, was duly executed and delivered by each party thereto, (iii) each such grant was made in all material respects in accordance with the terms of the Company Stock Plans, and (iv) each such grant was properly accounted for in accordance with generally accepted accounting principles as applied in the United States (***"GAAP"***) in the financial statements (including the related notes) of the Company.

(p) No Violation or Default. Neither the Company nor any of its subsidiaries is: (i) in violation of its articles of association, by-laws or similar organizational documents; (ii) in material default, and no event has occurred that, with notice or lapse of time or both, would constitute such a material default, in the due performance or observance of any term, covenant, condition or other obligation contained in any indenture, mortgage, deed of trust, loan agreement, contract, undertaking or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any property, right or asset of the Company or any of its subsidiaries is subject; or (iii) in violation of any law or statute applicable to the Company or any of its subsidiaries or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority having jurisdiction over the Company or any of its subsidiaries, or any of their respective properties or assets, except, in the case of clauses (ii) and (iii) above, for any such default or violation that would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect.

(q) No Conflicts. None of (i) the execution, delivery and performance of this Agreement by the Company, (ii) the issuance, sale and delivery of the Securities, (iii) the application of the proceeds of the offering as described under "Use of Proceeds" in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus, or (iv) the consummation of the transactions contemplated herein will: (x) result in any violation of the terms or provisions of the charter, by-laws or similar organizational documents of the Company or any of its subsidiaries; (y) conflict with, result in a breach or violation of, or require the approval of stockholders, members or partners or any approval or consent of any persons under, any of the terms or provisions of, constitute a default under, result in the termination, modification, or acceleration of, or result in the creation or imposition of any lien, charge or encumbrance upon any property, right or asset of the Company or any of its subsidiaries pursuant to, any indenture, mortgage, deed of trust, loan agreement, note agreement, contract, undertaking or other agreement, obligation, condition, covenant or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any property, right or asset of the Company or any of its subsidiaries is subject; or (z) result in the violation of any law, statute, judgment, order, rule, decree or regulation applicable to the Company or any of its subsidiaries of any court, arbitrator, governmental or regulatory authority, agency or body having jurisdiction over the Company or any of its subsidiaries or any of their respective properties or assets; except in the case of clauses (y) and (z) for any such breach, conflict, violation, default, lien, charge or encumbrance that would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Change.

(r) No Consents Required. No consent, approval, authorization, order, filing, registration, license or qualification of or with any court, arbitrator, or governmental or regulatory authority, agency, or body is required for (i) the execution, delivery and performance by the Company of this Agreement; (ii) the issuance, sale and delivery of the Securities; or (iii) the consummation of the transactions contemplated herein, except for such consents, approvals, authorizations, orders, filings, registrations or qualifications as (x) have already been obtained or made and are still in full force and effect, (y) may be required by FINRA, and (z) may be required under applicable state securities laws in connection with the purchase, distribution and resale of the Securities by the Underwriter**.**

(s) Independent Accountants. Brightman Almagor Zohar & Co., a Firm in the Deloitte Global Network, independent registered public accounting firm, which expressed its opinion with respect to the financial statements (which term as used in this Agreement includes the related notes thereto) and supporting schedules included in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus, is an independent registered public accounting firm with respect to the Company and its subsidiaries within the meaning of the rules and regulations of the Commission and the Public Company Accounting Oversight Board and as required by the Securities Act.

(t) Financial Statements and Other Financial Data. The financial statements (including the related notes thereto), together with the supporting schedules, included in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus comply in all material respects with the applicable requirements of the Securities Act and present fairly in all material respects the financial position of the entities to which they relate as of and at the dates indicated and the results of their operations and cash flows for the periods specified. Such financial statements, notes and schedules have been prepared in conformity with GAAP applied on a consistent basis throughout the periods involved, except as may be expressly stated in the notes thereto. The financial data set forth in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus under the captions “Capitalization” present fairly in all material respects the information set forth therein on a basis consistent with that of the audited financial statements included in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus.

(u) Statistical and Market-Related Data. The statistical and market-related data included in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus are based on or derived from sources that the Company believes to be accurate and reliable in all material respects.

(v) Forward-Looking Statements. No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) included in the Registration Statement, the Pricing Disclosure Package or the Final Prospectus has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(w) Legal Proceedings. Except as disclosed in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus, (i) there are no material legal, governmental or regulatory investigations, actions, demands, claims, suits, arbitrations, inquiries or proceedings (collectively, ***"Actions"***) pending to which the Company or any of its subsidiaries is or may be a party or to which any property, right or asset of the Company or any of its subsidiaries is or may be the subject that, individually or in the aggregate, if determined adversely to the Company or any of its subsidiaries, could have a Material Adverse Effect or otherwise affect the Company's ability to consummate the Offering; and (ii) to the knowledge of the Company, no such Actions are threatened or contemplated by any governmental or regulatory authority or by others.

(x) Labor Disputes. No labor disturbance by or dispute with the employees of the Company or any of its subsidiaries exists or, to the knowledge of the Company, is threatened or contemplated that could, individually or in the aggregate, have a Material Adverse Effect.

(y) Intellectual Property Rights. (i) The Company and its subsidiaries own or have the right to use all patents, patent applications, trademarks, service marks, trade names, and other source indicators and registrations and applications for registration thereof, domain name registrations, copyrights and registrations and applications for registration thereof, technology and know-how, trade secrets, and all other intellectual property and related proprietary rights (collectively, ***"Intellectual Property Rights"***) necessary to conduct their respective businesses; (ii) other than as disclosed in the Prospectus, neither the Company nor any of its subsidiaries has received any notice of infringement, misappropriation or other conflict with (and neither the Company nor any of its subsidiaries is otherwise aware of any infringement, misappropriation or other conflict with) the Intellectual Property Rights of any other person, except for such infringement, misappropriation or other conflict as could not have a Material Adverse Effect; and (iii) to the knowledge of the Company, the Intellectual Property Rights of the Company and its subsidiaries are not being infringed, misappropriated or otherwise violated by any person.

(z) Licenses and Permits. (i) The Company and its subsidiaries possess such valid and current certificates, authorizations, approvals, licenses and permits (collectively, ***"Authorizations"***) issued by, and have made all declarations, amendments, supplements and filings with, the appropriate state, federal or foreign regulatory agencies or bodies necessary to own, lease and operate their respective properties and to conduct their respective businesses as set forth in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus; (ii) all such Authorizations are valid and in full force and effect and the Company and its subsidiaries are in compliance with the terms and conditions of all such Authorizations; and (iii) neither the Company nor any of its subsidiaries has received notice of any revocation, termination or modification of, or non-compliance with, any such Authorization or has any reason to believe that any such Authorization will not be renewed in the ordinary course, except where, in the case of clauses (i), (ii) and (iii), the failure to possess, make or obtain such Authorizations (by possession, declaration or filing) could not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect.

(aa) Title to Property. Neither the Company nor any of its subsidiaries own any real property. The Company and its subsidiaries have good and marketable title in fee simple to, or have valid and enforceable rights to lease or otherwise use, all items of personal property (other than with respect to Intellectual Property Rights, which is addressed exclusively in Section 1(y)) that are material to the respective businesses of the Company and its subsidiaries, in each case, free and clear of all liens, encumbrances, claims, and defects and imperfections of title, except such liens, encumbrances, claims, defects and imperfections as (i) are disclosed in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus, or (ii) do not materially affect the value of such property and do not materially interfere with the use made or proposed to be made of such property by the Company and its subsidiaries. The Company and its subsidiaries have good and marketable title in fee simple to, or have valid and enforceable rights to lease or otherwise use, all items of real and personal property that are material to the respective businesses of the Company and its subsidiaries, in each case, free and clear of all liens, encumbrances, claims and defects and imperfections of title, except such liens, encumbrances, claims, defects and imperfections as (i) are disclosed in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus, or (ii) do not materially affect the value of such property and do not materially interfere with the use made or proposed to be made of such property by the Company and its subsidiaries. All items of real and personal property held under lease by the Company and its subsidiaries are held under valid, subsisting and enforceable leases, with such exceptions as do not materially interfere with the use made or proposed to be made of such property by the Company and its subsidiaries.

(bb) Taxes. The Company and each of its subsidiaries have filed all federal, state, local and foreign tax returns required to be filed through the date hereof or have timely requested extensions thereof and have paid all taxes required to be paid thereon (except as currently being contested in good faith and for which reserves required by GAAP have been created in the financial statements of the Company). The charges, accruals and reserves in respect of any income and other tax liability in the financial statements of the Company referred to in Section 1(t) are adequate, in accordance with GAAP principles, to meet any assessments for any taxes of the Company accruing through the end of the last period specified in such financial statements.

(cc) Investment Company Act. Neither the Company nor any of its subsidiaries is or, after giving effect to the offer and sale of the Securities and the application of the proceeds therefrom as described under "Use of Proceeds" in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus, will be required to register as an "investment company" (as defined in the Investment Company Act).

(dd) Insurance. Except as set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus regarding product liability insurance, the Company and its subsidiaries are insured by recognized, financially sound institutions in such amounts, with such deductibles and covering such losses and risks as is adequate for the conduct of their respective businesses and the value of their respective properties and as is prudent and customary for companies engaged in similar businesses in similar industries. All insurance policies and fidelity or surety bonds insuring the Company and its subsidiaries or their respective businesses, assets, employees, officers and directors are in full force and effect; the Company and its subsidiaries are in compliance with the terms of such policies in all material respects; neither the Company nor any of its subsidiaries has received notice from any insurer or agent of such insurer that capital improvements or other expenditures are required to be made in order to continue such insurance; and neither the Company nor any of its subsidiaries has been refused any insurance coverage sought or applied for. There are no claims by the Company or any of its subsidiaries under any such policy as to which any insurer is denying liability or defending under a reservation of rights clause; and neither the Company nor any of its subsidiaries has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that could not have a Material Adverse Effect.

(ee) No Stabilization or Manipulation. None of the Company, its Affiliates or any person acting on its or any of their behalf (other than the Underwriter, as to which no representation or warranty is given) has taken, directly or indirectly, any action designed to or that has constituted or that could reasonably be expected to cause or result in the stabilization or manipulation of the price of any securities of the Company. The Company acknowledges that the Underwriter may engage in passive market making transactions in the Ordinary Shares on the Nasdaq Capital Market (the ***"Exchange"***) in accordance with Regulation M under the Exchange Act (***"Regulation M"***).

(ff) Compliance with the Sarbanes-Oxley Act. Except as set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus, the Company and, to the knowledge of the Company, its officers and directors, in their capacities as such, are and have been in compliance with all applicable provisions of the Sarbanes-Oxley Act.

(gg) Accounting Controls. Except as set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus, the Company and its subsidiaries maintain systems of "internal control over financial reporting" (as defined in Rule 13a-15(f) of the Exchange Act) that comply with the requirements of the Exchange Act and have been designed by, or under the supervision of, their principal executive and principal financial officers, or persons performing similar functions, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The Company and its subsidiaries maintain internal accounting controls sufficient to provide reasonable 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 GAAP and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Other than as disclosed in the Registration Statement, the Company's internal control over financial reporting is effective and the Company is not aware of any other material weaknesses in its internal control over financial reporting (whether or not remediated). Since the date of the most recent balance sheet included in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus, (x) the Company's auditors have not been advised of (A) any new significant deficiencies or material weaknesses in the design or operation of the internal control over financial reporting of the Company and its subsidiaries which could adversely affect the Company's ability to record, process, summarize, and report financial data; or (B) any fraud, whether or not material, that involves management or other employees who have a role in the internal control over financial reporting of the Company or its subsidiaries; and (y) there have been no significant changes in the internal control over financial reporting of the Company or its subsidiaries or in other factors that could significantly affect, such internal control over financial reporting, including any corrective actions with regard to significant deficiencies or material weaknesses, since the respective dates as of which information is given in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus.

(hh) Disclosure Controls and Procedures. Except as set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus, the Company and its subsidiaries have established and maintain disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Exchange Act) that are designed to comply with the requirements of the Exchange Act; such disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company and its subsidiaries in the reports they file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms, including controls and procedures designed to ensure that such information is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure; and such disclosure controls and procedures are effective to perform the functions for which they were established.

(ii) Margin Rules. Neither the issuance, sale and delivery of the Securities nor the application of the proceeds thereof by the Company, in each case, as described in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus, will violate Regulation T, U or X of the Board of Governors of the Federal Reserve System or any other regulation of such Board of Governors.

(jj) Compliance with Environmental Laws. The Company and each of its subsidiaries (i) are, and at all times prior hereto were, in compliance with all Environmental Laws (as defined below) applicable to such entity, which compliance includes, without limitation, obtaining, maintaining and complying with all permits and authorizations and approvals required by Environmental Laws to conduct their respective businesses; and (ii) have not received notice or otherwise have knowledge of any actual or alleged violation of Environmental Laws, or of any actual or potential liability for or other obligation concerning the presence, disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants. And, except as described in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus, (x) there are no proceedings that are pending, or known to be contemplated, against the Company or any of its subsidiaries under Environmental Laws, other than such proceedings regarding which it is reasonably believed that no monetary sanctions of $100,000 or more will be imposed; (y) none of the Company or any of its subsidiaries is aware of any issues regarding compliance with Environmental Laws, including any pending or proposed Environmental Laws, or liabilities or other obligations under Environmental Laws or concerning hazardous or toxic substances or wastes, pollutants or contaminants, that could reasonably be expected to have a material effect on the capital expenditures, earnings or competitive position of the Company and its subsidiaries; and (z) none of the Company or any of its subsidiaries anticipates material capital expenditures relating to Environmental Laws.

As used herein, the term ***"Environmental Laws"*** means any laws, regulations, ordinances, rules, orders, judgments, decrees, permits or other legal requirements of any governmental authority, including, without limitation, any international, foreign, national, state, provincial, regional, or local authority, relating to pollution, the protection of human health or safety, the environment, or natural resources, or to the use, handling, storage, manufacturing, transportation, treatment, discharge, disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants.

(kk) Reserved.

(ll) Related Party Transactions. Except as disclosed in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus, no relationship, direct or indirect, exists between or among the Company or any of its subsidiaries, on the one hand, and the directors, officers, stockholders, other Affiliates, customers or suppliers of the Company or any of its subsidiaries, on the other hand, that would be required by the Securities Act to be described in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus.

(mm) No Unlawful Contributions or Other Payments. Neither the Company nor any of its subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee, Affiliate or other person associated with or acting on behalf of the Company or any of its subsidiaries has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government or regulatory official or employee; (iii) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment; or (iv) violated or is in violation of any provision of (y) the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the ***"FCPA"***), or (z) any non-U.S. anti-bribery or anti-corruption statute or regulation. The Company and its subsidiaries have instituted and maintain and enforce policies and procedures designed to promote and ensure compliance with all applicable anti-bribery and anti-corruption laws.

(nn) Compliance with Anti-Money Laundering Laws. The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with all applicable financial recordkeeping and reporting requirements, including the applicable anti-money laundering statutes of all jurisdictions where the Company or any of its subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any governmental agency (collectively, the ***"Anti-Money Laundering Laws"***); and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(oo) Compliance with OFAC. Neither the Company nor any of its subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee or Affiliate of the Company or any of its subsidiaries is an individual or entity (an "**OFAC Person**"), or is owned or controlled by an OFAC Person, that is currently the subject or target of any sanctions administered or enforced by the U.S. government (including, without limitation, the Office of Foreign Assets Control of the U.S. Treasury Department (***"OFAC"***) or the U.S. Department of State and including, without limitation, the designation as a "specially designated national" or "blocked person"), the United Nations Security Council, the European Union, Her Majesty's Treasury, or other relevant sanctions authority (collectively, ***"Sanctions"***), nor is the Company or any of its subsidiaries located, organized or resident in a country or territory that is the subject or the target of Sanctions, including, without limitation, Crimea, Cuba, Iran, North Korea, Sudan and Syria (each, a ***"Sanctioned Country"***); and the Company 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 OFAC Person (i) to fund or facilitate any activities of or business with any OFAC Person that, at the time of such funding or facilitation, is the subject or the target of Sanctions, (ii) to fund or facilitate any activities or business in any Sanctioned Country or (iii) in any other manner that will result in a violation by any OFAC Person (including any OFAC Person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions. Since the Company's inception, the Company and its subsidiaries have not knowingly engaged in and are not now knowingly engaged in any dealings or transactions with any OFAC Person that at the time of the dealing or transaction is or was the subject or the target of Sanctions or with any Sanctioned Country.

(pp) No Registration Rights. Except as described in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus, there are no contracts, agreements or understandings between the Company or any of its subsidiaries, on the one hand, and any person, on the other hand, granting such person any rights to require the Company or any of its subsidiaries to file a registration statement under the Securities Act with respect to any securities of the Company or any of its subsidiaries owned or to be owned by such person or to require the Company or any of its subsidiaries to include such securities in any securities to be registered pursuant to any registration statement to be filed by the Company or any of its subsidiaries under the Securities Act.

(qq) Subsidiaries. The Company does not have any subsidiaries.

(rr) Reserved.

(ss) No Broker's Fees. Except as disclosed in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus, neither the Company nor any of its subsidiaries is a party to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against any of them or the Underwriter for a brokerage commission, finder's fee or like payment in connection with the offering and sale of the Securities.

(tt) Exchange Listing. Subject to notice of issuance, the Closing Shares, the Option Shares, Underlying Shares and Warrants have been approved for listing on the Exchange.

Any certificate signed by an officer of the Company and delivered to the Underwriter or to counsel for the Underwriter shall be deemed to be a representation and warranty by the Company to the Underwriter as to the matters set forth therein.

2. Representations and Warranties of the Underwriter.

The Underwriter represents and warrants to, and agrees with, the Company:

(a) No Testing-the-Waters Communications. The Underwriter has not (i) alone engaged in any Testing-the-Waters Communication and (ii) authorized anyone to engage in Testing-the-Waters Communications. The Underwriter has not distributed, or authorized anyone else to distribute, any Written Testing-the-Waters Communications.

3. Purchase and Resale.

(a) Agreements to Sell and Purchase. On the basis of the representations, warranties and covenants herein and subject to the conditions herein and any adjustments made in accordance with Section 3(c) and 13 hereof,

(i) The Company agrees to issue and sell the Closing Units to the Underwriter; and

(ii) The Underwriter agrees to purchase from the Company the number of Closing Units set forth on Schedule I hereto.

(iii) The purchase price per Closing Unit to be paid by the Underwriter to the Company shall be $[●] per share (the ***"Unit Purchase Price"***), which purchase price will be allocated as $[●] per Closing Share and $0.001 per Closing Warrant. The Closing Units are to be offered to the public at the Public Offering Price.

(iv) Payment for the Closing Units (the ***"Closing Units Payment"***) shall be made by wire transfer in immediately available funds to the accounts specified by the Company to the Underwriter at the offices of Kaufman & Canoles, P.C. at [5:00] [p.m.], Eastern Time, on [●], 2022 or at such other place on the same or such other date and time, not later than the fifth business day thereafter, as the Underwriter and the Company may agree upon in writing (the ***"Closing Date"***). The Closing Units Payment shall be made against delivery of the Closing Units to be purchased on the Closing Date to the Underwriter for the respective accounts of the Underwriter, with any transfer taxes, stamp duties and other similar taxes payable in connection with the sale of the Closing Units duly paid by the Company.

(b) Over-Allotment Option. On the basis of the representations, warranties and covenants herein and subject to the conditions herein,

(i) the Underwriter is hereby granted an option (the "Over-Allotment Option") to purchase up to an aggregate of [●] additional Ordinary Shares representing fifteen percent (15.0%) of the total number of Closing Units sold in the offering (the "Option Shares") and/or up to [●] additional Warrants to purchase an aggregate of an additional [●] Ordinary Shares, representing 15.0% of the Closing Warrants sold in the offering from the Company (the "**Option Warrants**"). The purchase price to be paid per Option Share shall be equal to the price per Closing Unit set forth in Section 3(a) hereof and the purchase price to be paid per Option Warrant shall be equal to $0.001 per Option Warrant. The Over-allotment Option is, at the Underwriter's sole discretion, for Option Shares and Option Warrants together, solely Option Shares, or solely Option Warrants (each, an "Option Security" and collectively, the "**Option Securities**"). The Closing Units and the Option Securities are collectively referred to as the "**Securities**". The Securities and the Ordinary Shares issuable upon exercise of the Warrants (the "**Underlying Shares**"), are collectively referred to as the "**Public Securities**." The Public Securities shall be issued directly by the Company and shall have the rights and privileges described in the Registration Statement, the Pricing Disclosure Package and the Prospectus. The Closing Warrants and Option Warrants, if any, shall be issued pursuant to, and shall have the rights and privileges set forth in, a warrant agent agreement, dated on or before the Closing Date, between the Company and [●] as warrant agent (the "**Warrant Agent**"). The offering and sale of the Public Securities is herein referred to as the "**Offering**".

(ii) upon an exercise of the Over-Allotment Option and subject to the terms and conditions herein, the Company agrees to issue and sell the Option Securities to the Underwriter;

(iii) The Underwriter may exercise the Over-Allotment Option at any time in whole, or from time to time in part, on or before the forty-fifth (45th) day following the date of the Final Prospectus, by written notice from the Underwriter to the Company (the ***"Over-Allotment Exercise Notice"***). The Underwriter must give the Over-Allotment Exercise Notice to the Company at least two Business Days prior to the Closing Date or the applicable Additional Closing Date, as the case may be. The Underwriter may cancel any exercise of the Over-Allotment Option at any time prior to the Closing Date or the applicable Additional Closing Date, as the case may be, by giving written notice of such cancellation to the Company.

(iv) The Over-Allotment Exercise Notice shall set forth:

(A) the aggregate number of Option Securities as to which the Over-Allotment Option is being exercised;

(B) the purchase price for the Option Securities;

(C) the names and denominations in which the Option Securities are to be registered; and

(D) the applicable Additional Closing Date, which may be the same date and time as the Closing Date but shall not be earlier than the Closing Date nor later than the tenth (10th) full business day after the date of the Over-Allotment Exercise Notice.

(v) Payment for the Option Securities (the ***"Option Securities Payment"***) shall be made by wire transfer in immediately available funds to the accounts specified by the Company to the Underwriter at the offices of Kaufman & Canoles, P.C. at [5:00] [p.m.] Eastern Time on the date specified in the corresponding Over-Allotment Exercise Notice, or at such other place on the same or such other date and time, not later than the fifth business day thereafter, as the Underwriter and the Company may agree upon in writing (an ***"Additional Closing Date"***). The Option Securities Payment shall be made against delivery to the Underwriter for the respective accounts of the Underwriter of the Option Securities to be purchased on any Additional Closing Date, with any transfer taxes, stamp duties and other similar taxes payable in connection with the sale of the Option Securities duly paid by the Company.

(vi) As additional compensation for the Underwriter's services, the Company shall issue to the Underwriter or its designees at the closing of the Offering warrants (the ***"Underwriter's Warrant"***) to purchase that number of Ordinary Shares equal to 5.0% of the aggregate number of ordinary shares sold in the Offering. The Underwriter's Warrant will be exercisable at any time and from time to time, in whole or in part, during the period commencing six months from the commencement of sales of the Firm Shares in the public offering and ending four years and six months thereafter, at a price per share equal to 135.0% of the offering price per Ordinary Share in the Offering. The Underwriter's Warrant and the Ordinary Shares issuable upon exercise thereof are sometimes hereinafter referred to collectively as the ***"Underwriter's Securities."*** The Underwriter understands and agrees that there are restrictions pursuant to FINRA Rule 5110 against transferring the Underwriter's Warrant and the underlying Ordinary Shares during the 180-day period after the commencement of sales of the Firm Shares in the Offering and by its acceptance thereof shall agree that it and its respective designees, if any, will not, sell, transfer, assign, pledge or hypothecate their respective Underwriter's Securities, or any portion thereof, or be the subject of any hedging, short sale, derivative, put or call transaction that would result in the effective economic disposition of such securities for a period of 180 days following the commencement of sales of the public offering to anyone other than (A) an Underwriter or a selected dealer in connection with the Offering, or (B) a bona fide officer or partner of the Underwriter or selected dealer; and only if any such transferee agrees to the foregoing lock-up restrictions. Delivery of the executed Underwriter's Warrant Agreement shall be made on the Closing Date and the Underwriter's Warrant shall be issued in the name or names and in such authorized denominations as the Underwriter may request.

(c) Public Offering. The Company understands that the Underwriter intends to make a public offering of the Closing Units as soon after the effectiveness of this Agreement as in the judgment of the Underwriter is advisable, and initially to offer the Closing Units on the terms set forth in the Final Prospectus. The Company acknowledges and agrees that the Underwriter may offer and sell Closing Units to or through any Affiliate of an Underwriter.

4. Covenants of the Company. The Company hereby covenants and agrees with each Underwriter as follows:

(a) Filings with the Commission. The Company will:

(i) prepare and file the Final Prospectus (in a form approved by the Underwriter and containing the Rule 430A Information) with the Commission in accordance with and within the time periods specified by Rules 424(b) and 430A under the Securities Act;

(ii) file any Issuer Free Writing Prospectus with the Commission to the extent required by Rule 433 under the Securities Act; and

(iii) file with the Commission such reports as may be required by Rule 463 under the Securities Act.

(b) Notice to the Underwriter. The Company will advise the Underwriter promptly, and confirm such advice in writing:

(i) when the Registration Statement has become effective;

(ii) when the Final Prospectus has been filed with the Commission;

(iii) when any amendment to the Registration Statement has been filed or becomes effective;

(iv) when any Rule 462(b) Registration Statement has been filed with the Commission;

(v) when any supplement to the Final Prospectus, any Issuer Free Writing Prospectus, any Written Testing-the-Waters Communication or any amendment to the Final Prospectus has been filed or distributed;

(vi) of (x) any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Final Prospectus, (y) the receipt of any comments from the Commission relating to the Registration Statement or (z) any other request by the Commission for any additional information, including, but not limited to, any request for information concerning any Testing-the-Waters Communication;

(vii) of (x) the issuance by the Commission of any order suspending the effectiveness of the Registration Statement or preventing or suspending the use of the Registration Statement, the Pricing Disclosure Package, the Final Prospectus, any Preliminary Prospectus, any Issuer Free Writing Prospectus or any Written Testing-the-Waters Communication or (y) the initiation or, to the knowledge of the Company, threatening of any proceeding for that purpose or pursuant to Section 8A of the Securities Act;

(viii) of the occurrence of any event or development within the Prospectus Delivery Period as a result of which, the Final Prospectus, the Pricing Disclosure Package, any Issuer Free Writing Prospectus or any Written Testing-the-Waters Communication as then amended or supplemented would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Final Prospectus, the Pricing Disclosure Package, any such Issuer Free Writing Prospectus or any such Written Testing-the-Waters Communication is delivered to a purchaser, not misleading;

(ix) of the issuance by any governmental or regulatory authority or any order preventing or suspending the use of any of the Registration Statement, the Pricing Disclosure Package, the Final Prospectus, any Preliminary Prospectus, any Issuer Free Writing Prospectus or any Testing-the-Waters Communication or the initiation or threatening for that purpose; and

(x) of the receipt by the Company of any notice with respect to any suspension of the qualification of the Closing Units for offer and sale in any jurisdiction or the initiation or, to the knowledge of the Company, threatening of any proceeding for such purpose.

(c) Reserved.

(d) Ongoing Compliance.

(i) If during the Prospectus Delivery Period:

(A) any event or development shall occur or condition shall exist as a result of which the Final Prospectus as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Final Prospectus is delivered to a purchaser, not misleading, the Company will, as soon as reasonably possible, notify the Underwriter thereof and forthwith prepare and, subject to Section 4(e) hereof, file with the Commission and furnish, at its own expense, to the Underwriter and to such dealers as the Underwriter may designate such amendments or supplements to the Final Prospectus as may be necessary so that the statements in the Final Prospectus as so amended or supplemented will not, in the light of the circumstances existing when the Final Prospectus is delivered to a purchaser, be misleading; or

(B) it is necessary to amend or supplement the Final Prospectus to comply with applicable law, the Company will, as soon as reasonably possible, notify the Underwriter thereof and forthwith prepare and, subject to Section 4(e) hereof, file with the Commission and furnish, at its own expense, to the Underwriter and to such dealers as the Underwriter may designate such amendments or supplements to the Final Prospectus as may be necessary so that the Final Prospectus will comply with applicable law; and

(ii) if at any time prior to the Closing Date or any Additional Closing Date, as the case may be:

(A) any event or development shall occur or condition shall exist as a result of which the Pricing Disclosure Package as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Pricing Disclosure Package is delivered to a purchaser, not misleading, the Company will immediately notify the Underwriter thereof and forthwith prepare and, subject to Section 4(e) hereof, file with the Commission (to the extent required) and furnish, at its own expense, to the Underwriter and to such dealers as the Underwriter may designate such amendments or supplements to the Pricing Disclosure Package as may be necessary so that the statements in the Pricing Disclosure Package as so amended or supplemented will not, in the light of the circumstances existing when the Pricing Disclosure Package is delivered to a purchaser, be misleading; or

(B) it is necessary to amend or supplement the Pricing Disclosure Package to comply with applicable law, the Company will immediately notify the Underwriter thereof and forthwith prepare and, subject to Section 4(e) hereof, file with the Commission (to the extent required) and furnish, at its own expense, to the Underwriter and to such dealers as the Underwriter may designate such amendments or supplements to the Pricing Disclosure Package as may be necessary so that the Pricing Disclosure Package will comply with applicable law.

(e) Amendments, Supplements and Issuer Free Writing Prospectuses. Before (i) using, authorizing, approving, referring to, distributing or filing any Issuer Free Writing Prospectus, (ii) filing (x) any Rule 462(b) Registration Statement or (y) any amendment or supplement to the Registration Statement or the Final Prospectus, or (iii) distributing any amendment or supplement to the Pricing Disclosure Package or the Final Prospectus, the Company will furnish to the Underwriter and counsel for the Underwriter a copy of the proposed Issuer Free Writing Prospectus, Rule 462(b) Registration Statement or other amendment or supplement for review and will not use, authorize, refer to, distribute or file any such Issuer Free Writing Prospectus or Rule 462(b) Registration Statement, or file or distribute any such proposed amendment or supplement (A) to which the Underwriter objects in a timely manner and (B) which is not in compliance with the Securities Act. The Company will, pursuant to reasonable procedures developed in good faith, retain copies of each Issuer Free Writing Prospectus that is not filed with the Commission in accordance with Rule 433 under the Securities Act.

(f) Delivery of Copies. The Company will, upon request of the Underwriter, deliver, without charge, (i) to the Underwriter, three signed copies of the Registration Statement as originally filed and each amendment thereto, in each case, including all exhibits and consents filed therewith; and (ii) to each Underwriter (A) a conformed copy of the Registration Statement as originally filed and each amendment thereto (without exhibits and consents) and (B) during the Prospectus Delivery Period, as many copies of the Final Prospectus (including all amendments and supplements thereto and each Issuer Free Writing Prospectus) as the Underwriter may reasonably request.

(g) Emerging Growth Company Status. The Company will promptly notify the Underwriter 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 Closing Units within the meaning of the Securities Act and (ii) completion of the Lock-Up Period (as defined below).

(h) Blue Sky Compliance. The Company will use its best commercially reasonable efforts, with the Underwriter's cooperation, if necessary, to qualify or register (or to obtain exemptions from qualifying or registering) the Closing Units and the Underwriter's Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Underwriter shall reasonably request and will use its best commercially reasonable efforts, if necessary, to continue such qualifications, registrations and exemptions in effect so long as required for the distribution of the Closing Units and the Underwriter's Securities; provided that the Company shall not be required to (i) qualify as a foreign corporation or other entity or as a dealer in securities in any such jurisdiction where it would not otherwise be required to so qualify, (ii) file any general consent to service of process in any such jurisdiction or (iii) subject itself to taxation in any such jurisdiction if it is not otherwise so subject.

(i) Earning Statement. The Company will make generally available to its security holders and the Underwriter as soon as practicable an earning statement that satisfies the provisions of Section 11(a) of the Securities Act and Rule 158 under the Securities Act covering a period of at least 12 months beginning with the first fiscal quarter of the Company occurring after the "effective date" (as defined in Rule 158 under the Securities Act) of the Registration Statement; provided that the Company will be deemed to have furnished such statement to its security holders and the Underwriter to the extent it is filed on the Commission's Electronic Data Gathering, Analysis and Retrieval system (***"EDGAR"***).

(j) Use of Proceeds. The Company shall apply the net proceeds from the sale of the Closing Units and the Option Securities in the manner described under the caption "Use of Proceeds" in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus.

(k) Clear Market.

(i) For a period of eighteen (18) months after the Closing Date (the ***"Lock-Up Period"***), the Company will not (x) 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, or file with the Commission a registration statement under the Securities Act relating to, any Ordinary Shares or any securities convertible into or exercisable or exchangeable for Ordinary Shares, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, or (y) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Ordinary Shares or any such other securities, whether any such transaction described in clause (x) or (y) above is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise, without the prior written consent of the Underwriter.

(ii) The restrictions contained in Section 4(k)(i) hereof shall not apply to: (A) the Securities, (B) any warrants to be issued by the Company in connection with the Offering or Ordinary Shares issued pursuant to the exercise of such warrants, in each case, as described in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus, (C) any Ordinary Shares issued under Company Stock Plans or pursuant to the exercise or conversion of warrants or preferred shares issued by the Company, in each case, described as outstanding in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus, (D) any options and other awards granted under a Company Stock Plan as described in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus, (E) the filing by the Company of any registration statement on Form S-8 or a successor form thereto relating to a Company Stock Plan described in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus, (F) the filing by the Company of a base shelf registration statement on Form F-3 or a successor form thereto, (G) the filing of any registration statement as required by the amended and restated investors rights agreement, dated as of October 13, 2020, and (H) Ordinary Shares or other securities issued in connection with a transaction with an unaffiliated third party that includes a bona fide commercial relationship (including joint ventures, marketing or distribution arrangements, collaboration agreements or intellectual property license agreements) or any acquisition of assets or acquisition of not less than a majority or controlling portion of the equity of another entity; provided that (x) the aggregate number of Ordinary Shares issued pursuant to clause (H) shall not exceed five percent (5%) of the total number of outstanding Ordinary Shares immediately following the issuance and sale of the Closing Units pursuant hereto and (y) the recipient of any such Ordinary Shares or other securities issued or granted pursuant to clauses (B), (C), (D) and (H) during the Lock-Up Period shall enter into an agreement substantially in the form of Exhibit A hereto.

(iii) If the Underwriter, in its sole discretion, agrees to release or waive the restrictions set forth in any Lock-Up Agreement and provides the Company with notice of the impending release or waiver substantially in the form of Exhibit B hereto at least three Business Days before the effective date of the release or waiver, then the Company agrees to announce the impending release or waiver by a press release substantially in the form of Exhibit C hereto through a major news service at least two Business Days before the effective date of the release or waiver.

(l) No Stabilization or Manipulation. None of the Company, its Affiliates or any person acting on its or any of their behalf (other than the Underwriter, as to which no covenant is given) will take, directly or indirectly, any action designed to or that constitutes or that could reasonably be expected to cause or result in the stabilization or manipulation of the price of any securities of the Company. The Company acknowledges that the Underwriter may engage in passive market making transactions in the Ordinary Shares on the Exchange in accordance with Regulation M.

(m) Investment Company Act. The Company shall not invest, or otherwise use the proceeds received by the Company from the sale of the Securities in such a manner as would require the Company or any of its subsidiaries to register as an “investment company” (as defined in the Investment Company Act) under the Investment Company Act.

(n) Transfer Agent. For the period of two years from the date of this Agreement, the Company shall engage and maintain, at its expense, a registrar and transfer agent for the Ordinary Shares.

(o) Reports. For the period of two years from the date of this Agreement, the Company will furnish to the Underwriter, as soon as they are available, copies of all reports or other communications (financial or other) furnished to holders of the Securities, and copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange or automatic quotation system; provided that the Company will be deemed to have furnished such reports and financial statements to the Underwriter to the extent they are filed on EDGAR.

(p) Reserved.

5. Covenants of the Underwriter. Each Underwriter, severally and not jointly, hereby covenants and agrees with the Company as follows:

(a) Underwriter Free Writing Prospectus. The Underwriter has not used, authorized the use of, referred to or participated in the planning for use of, and will not use, authorize the use of, refer to or participate in the planning for use of, any Free Writing Prospectus (which term includes use of any written information furnished to the Commission by the Company and not incorporated by reference into the Registration Statement and any press release issued by the Company) other than (i) a Free Writing Prospectus that contains no "issuer information" filed or required to be filed pursuant to Rule 433(d) under the Securities Act (***"Issuer Information"***) that was not included in the Pricing Prospectus or a previously filed Issuer Free Writing Prospectus, (ii) any Issuer Free Writing Prospectus listed in Schedule II hereto or prepared pursuant to Section 1(e)(iv) or Section 4(e) hereof (including any electronic road show), or (iii) any Free Writing Prospectus prepared by the Underwriter and approved by the Company in advance in writing.

(b) Section 8A Proceedings. The Underwriter is not subject to any pending proceeding under Section 8A of the Securities Act with respect to the offering of the Securities and will promptly notify the Company if any such proceeding against it is initiated during the Prospectus Delivery Period.

6. Payment of Expenses.

(a) Company Expenses. The Company hereby agrees to pay on the Closing Date all expenses incident to the performance of the obligations of the Company under this Agreement including, but not limited to: (a) all filing fees and expenses relating to the registration of the Securities with the Commission; (b) all filing fees and expenses associated with the review of the offering of the Securities by FINRA; (c) all fees and expenses relating to the listing of the Securities on the Exchange (to the extent relevant) and on such other stock exchanges as the Company and the Underwriter together determine; (d) all fees, expenses and disbursements relating to background checks of the Company's officers and directors; (e) all fees, expenses and disbursements relating to the registration or qualification of the Securities as the Underwriter may reasonably designate; (f) all fees, expenses and disbursements relating to the registration, qualification or exemption of the Securities under the securities laws of such foreign jurisdictions as the Underwriter may reasonably designate; (g) the costs of all mailing and printing of the underwriting documents, the Registration Statement, Pricing Disclosure Package, the Final Prospectus, any Preliminary Prospectus, any Issuer Free Writing Prospectus or any Testing-the-Waters Communication and all amendments, supplements and exhibits thereto as the Underwriter may reasonably deem necessary; (h) the costs and expenses of the public relations firm referred to in the engagement letter between the Company and the Underwriter (provided such public relations firm is approved by the Company); (i) the costs of preparing, printing and delivering certificates representing the Firm Shares and the Option Securities, as applicable; (j) fees and expenses of the transfer agent for the Ordinary Shares; (k) stock transfer and/or stamp taxes, if any, payable upon the transfer of securities from the Company to the Underwriter; (l) the fees and expenses of the Company's accountants; (m) the "road show" expenses and the reasonable fees and expenses of the Company's legal counsel and other agents and representatives and fees and expenses of the Underwriter's counsel. The total amount payable pursuant to (d) and (m) to the Underwriter shall not to exceed $90,000, in the event of the Closing of the Offering. The Underwriter may deduct from the net proceeds of the Offering payable to the Company on the Closing Date the expenses set forth herein to be paid by the Company to the Underwriter. Except as provided for in this Agreement, the Underwriter shall bear the costs and expenses incurred by it in connection with the sale of the Securities and the transactions contemplated thereby.

(b) Non-accountable Expenses. On the Closing Date, the Company shall pay to the Underwriter, by deduction from the net proceeds of the Offering a non-accountable expense allowance equal to one percent (1.0%) of the gross proceeds received by the Company from the sale of the Closing Units), provided, however, that in the event that the Offering is terminated, the Company agrees to reimburse the Underwriter pursuant to Section 6(c) hereof.

(c) Underwriter Expenses. Except to the extent otherwise provided in this Section 6 or Section 8 hereof, the Underwriter will pay all of its own costs and expenses, including the fees and expenses of their counsel, any stock transfer taxes on resale of any of the Securities held by them, and any advertising expenses connected with any offers they may make.

(d) Company Reimbursement. The provisions of this Section 6 shall not affect any agreement that the Company may make for the sharing of such costs and expenses.

7. Conditions of the Obligations of the Underwriter. The obligations of the Underwriter to purchase the Closing Units as provided herein on the Closing Date or the Option Securities as provided herein on any Additional Closing Date, as the case may be, shall be subject to the timely performance by the Company of its covenants and other obligations hereunder, and to each of the following additional conditions:

(a) Registration Compliance; No Stop Order.

(i) The Registration Statement and any post-effective amendment thereto shall have become effective, no stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto shall be in effect, and no proceeding for such purpose or pursuant to Section 8A of the Securities Act shall be pending before or threatened by the Commission.

(ii) The Company shall have filed the Final Prospectus and each Issuer Free Writing Prospectus with the Commission in accordance with and within the time periods prescribed by Section 4(a) hereof.

(iii) The Company shall have (A) disclosed to the Underwriter all requests by the Commission for additional information relating to the offer and sale of the Securities and (B) complied with such requests to the reasonable satisfaction of the Underwriter.

(b) Representations and Warranties. The representations and warranties of the Company contained herein shall be true and correct on the date hereof and on and as of the Closing Date or any Additional Closing Date, as the case may be; and the statements of the Company and its officers made in any certificates delivered pursuant to this Agreement shall be true and correct on and as of the Closing Date or any Additional Closing Date, as the case may be.

(c) Accountants' Comfort Letters. On the date of this Agreement and on the Closing Date or any Additional Closing Date, as the case may be, Brightman Almagor Zohar & Co., a Firm in the Deloitte Global Network, independent registered public accounting firm, as stated in their report, shall have furnished to the Underwriter, at the request of the Company, letters, dated the respective dates of delivery thereof and addressed to the Underwriter, in form and substance reasonably satisfactory to the Underwriter, containing statements and information of the type customarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in each of the Registration Statement, the Pricing Disclosure Package and the Final Prospectus; provided that the letter delivered on the Closing Date or any Additional Closing Date, as the case may be, shall use a "cut-off" date no more than two Business Days prior to the Closing Date or such Additional Closing Date, as the case may be.

(d) Reserved.

(e) No Material Adverse Change. No event or condition of a type described in Section 1(l) hereof shall have occurred or shall exist, which event or condition is not described in each of the Pricing Disclosure Package and the Final Prospectus (in each case, exclusive of any amendment or supplement thereto), the effect of which in the judgment of the Underwriter makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Securities on the Closing Date or any Additional Closing Date, as the case may be, in the manner and on the terms contemplated by this Agreement, the Pricing Disclosure Package and the Final Prospectus (in each case, exclusive of any amendment or supplement thereto).

(f) Opinion and Negative Assurance Letter of Counsel to the Company. McDermott Will & Emery LLP, U.S. counsel to the Company with respect to U.S. securities matters,, shall have furnished to the Underwriter, at the request of the Company, its (i) written opinion, addressed to the Underwriter and dated the Closing Date or any Additional Closing Date, as the case may be, and (ii) negative assurance letter, addressed to the Underwriter and dated the Closing Date or any Additional Closing Date, as the case may be, and Shibolet & Co. Law Firm, Israeli counsel for the Company, shall have furnished to the Underwriter, at the request of the Company, its written opinion, addressed to the Underwriter and dated the Closing Date or any Additional Closing Date, as the case may be, with respect to Israeli law matters, in each case, each in a form and substance reasonably satisfactory to the Underwriter.

(g) Officer's Certificate. The Underwriter shall have received on and as of the Closing Date or any Additional Closing Date, as the case may be, a certificate of an executive officer of the Company who has specific knowledge of the Company's financial matters and is satisfactory to the Underwriter, (i) confirming that such officer has carefully reviewed the Registration Statement, the Pricing Disclosure Package, the Final Prospectus, each Issuer Free Writing Prospectus and each Written Testing-the-Waters Communication and, to the knowledge of such officer, the representations set forth in Sections 1(a)(ii), 1(b), 1(c)(i), 1(d)(i), 1(e)(i) 1(f)(ii) and 1(i) hereof are true and correct on and as of the Closing Date or any Additional Closing Date, as the case may be; (ii) to the effect set forth in clause (i) of Section 1(l) and Section 7(a) hereof; and (iii) confirming that all of the other representations and warranties of the Company in this Agreement are true and correct in all material respects (except for those representations and warranties qualified as to materiality, which shall be true and correct in all respects and except for those representations and warranties which refer to facts existing at a specific date, which shall be true and correct as to such date) on and as of the Closing Date or any Additional Closing Date, as the case may be, and that the Company has complied with all agreements and covenants and satisfied all other conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date or any Additional Closing Date, as the case may be.

(h) No Legal Impediment to Issuance and Sale. No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority that would, as of the Closing Date or any Additional Closing Date, as the case may be, prevent the issuance, sale or delivery of the Securities by the Company; and no injunction or order of any federal, state or foreign court shall have been issued that would, as of the Closing Date or any Additional Closing Date, as the case may be, prevent the issuance, sale or delivery of the Securities.

(i) Good Standing. The Underwriter shall have received on and as of the Closing Date and any Additional Closing Date, as the case may be, satisfactory evidence of the good standing of the Company under the laws of Israel as of the date hereof and its good standing in such other jurisdictions as the Underwriter may reasonably request, in each case, in writing from the appropriate governmental authorities of such jurisdictions.

(j) Lock-Up Agreements. The Lock-Up Agreements executed by the officers, directors and equityholders of at least 10% of the Company's Ordinary Shares relating to sales and certain other dispositions of Ordinary Shares or certain other securities, delivered to the Underwriter on or before the date hereof, shall be in full force and effect on the Closing Date or any Additional Closing Date, as the case may be.

(k) Underwriter's Warrant Agreement. The Underwriter's Warrant Agreement, substantially in the form of Exhibit E hereto, executed by the officers of the Company, delivered to the Underwriter on or before the date hereof, shall be in full force and effect on the Closing Date or any Additional Closing Date, as the case may be.

(l) Exchange Listing. On the Closing Date or any Additional Closing Date, as the case may be, the Closing Shares, the Option Shares and the Underlying Shares shall have been approved for listing on the Exchange, subject to notice of issuance.

(m) Additional Documents. On or prior to the Closing Date or any Additional Closing Date, as the case may be, the Underwriter and its counsel shall have received such information, certificates and other additional documents from the Company as they may reasonably require for the purpose of enabling them to pass upon the issuance and sale of the Securities as contemplated herein or in order to evidence the accuracy of any of the representations and warranties, or the satisfaction of any of the covenants, closing conditions or other obligations, contained in this Agreement.

All opinions, letters, certificates and other documents delivered pursuant to this Agreement will be deemed to be in compliance with the provisions hereof only if they are reasonably satisfactory in form and substance to counsel for the Underwriter.

If any condition specified in this Section 7 is not satisfied when and as required to be satisfied, this Agreement and all obligations of the Underwriter hereunder may be terminated by the Underwriter by notice to the Company at any time on or prior to the Closing Date or any Additional Closing Date, as the case may be, which termination shall be without liability on the part of any party to any other party, except that the Company shall continue to be liable for the payment of expenses under Section 6 and Section 11 hereof and except that the provisions of Section 8 and Section 9 hereof shall at all times be effective and shall survive any such termination.

8. Indemnification.

(a) Indemnification of the Underwriter by the Company. The Company agrees to indemnify and hold harmless each Underwriter, its Affiliates, directors, officers, employees and agents and each person, if any, who controls the Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all losses, claims, damages and liabilities (including, without limitation, all reasonable legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), joint or several, that arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment or supplement thereto), or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary in order to make the statements therein not misleading, or (ii) any untrue statement or alleged untrue statement of a material fact contained in any Pricing Disclosure Package (including any Pricing Disclosure Package that has subsequently been amended), the Final Prospectus (or any amendment or supplement thereto), any Preliminary Prospectus, any Issuer Information, any Issuer Free Writing Prospectus, any Written Testing-the-Waters Communication or any Road Show, or the omission or alleged omission therefrom 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, in each case, except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with the Underwriter Information. The indemnity agreement set forth in this Section 8(a) shall be in addition to any liabilities that the Company may otherwise have.

(b) Indemnification of the Company by the Underwriter. The Underwriter agrees to indemnify and hold harmless the Company, its directors, each officer who signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all losses, claims, damages and liabilities (including, without limitation, all reasonable legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), joint or several, to the same extent as the indemnity set forth in Section 8(a) hereof; provided, however, that each Underwriter shall be liable only to the extent that any untrue statement or omission or alleged untrue statement or omission was made in the Registration Statement (or any amendment or supplement thereto), any Pricing Disclosure Package (including any Pricing Disclosure Package that has subsequently been amended), the Final Prospectus (or any amendment or supplement thereto), any Preliminary Prospectus, any Issuer Information, any Issuer Free Writing Prospectus, any Written Testing-the-Waters Communication or any Road Show in reliance upon, and in conformity with, the Underwriter Information relating to the Underwriter. The indemnity agreement set forth in this Section 8(d) shall be in addition to any liabilities that each Underwriter may otherwise have.

(c) Notifications and Other Indemnification Procedures. If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnification may be sought pursuant to any of the preceding subsections of this Section 8, such person (the ***"Indemnified Person"***) shall promptly notify the person against whom such indemnification may be sought (the ***"Indemnifying Person"***) in writing; provided that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under any of the preceding subsections of this Section 8 except to the extent that it has been materially prejudiced by such failure; and provided, further, that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have to an Indemnified Person otherwise than under any of the preceding subsections of this Section 8. If any such proceeding shall be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person (who shall not, without the consent of the Indemnified Person, be counsel to the Indemnifying Person) to represent the Indemnified Person in such proceeding and shall pay the reasonable and documented fees and expenses of such counsel related to such proceeding, as incurred. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interest between them. It is understood and agreed that the Indemnifying Person shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons, and that all such fees and expenses shall be paid or reimbursed as they are incurred. Any such separate firm for (i) the Underwriter, its Affiliates, directors, officers, employees and agents and each person, if any, who controls the Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act shall be designated in writing by the Underwriter; and (ii) the Company, its directors, its officers who signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act shall be designated in writing by the Company.

(d) Settlements. The Indemnifying Person under this Section 8 shall not be liable for any settlement of any proceeding (i) effected without its written consent, which consent may not be unreasonably withheld(but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Person agrees to indemnify the Indemnified Person from and against any loss, claim, damage, liability or expense by reason of such settlement or judgment) or (ii) if any Indemnified Person made any admission or settlement without the prior written consent of the Company or did not fully cooperate with the defense. Notwithstanding the foregoing sentence, if at any time an Indemnified Person shall have requested an Indemnifying Person to reimburse the Indemnified Person for any reasonably incurred and documented fees and expenses of counsel as contemplated by this Section 8, the Indemnifying Person agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such Indemnifying Person of the aforesaid request, (ii) such Indemnifying Person shall not have reimbursed the Indemnified Person in accordance with such request, or shall not have disputed in good faith the Indemnified Person's entitlement to such reimbursement, prior to the date of such settlement and (iii) such Indemnified Person shall have given the Indemnifying Person at least 45 days' prior notice of its intention to settle. No Indemnifying Person shall, without the prior written consent of the Indemnified Person effect any settlement, compromise or consent to the entry of judgment in any pending or threatened action, suit or proceeding in respect of which any Indemnified Person is or could have been a party and indemnity was or could have been sought hereunder by such Indemnified Person, unless such settlement, compromise or consent (x) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from and against all liability on claims that are the subject matter of such action, suit or proceeding and (y) does not include any statements as to or any findings of fault, culpability or failure to act by or on behalf of any Indemnified Person.

9. Contribution. To the extent the indemnification provided for in Section 8 hereof is unavailable to or insufficient to hold harmless an Indemnified Person in respect of any losses, claims, damages, liabilities or expenses referred to therein, then each Indemnifying Person, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the aggregate amount paid or payable by such Indemnified Person, as incurred, as a result of any losses, claims, damages, liabilities or expenses referred to therein (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and the Underwriter, on the other hand, from the offering of the Securities pursuant to this Agreement or (ii) if the allocation provided by clause (i) above 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 the Underwriter, on the other hand, in connection with the statements or omissions that resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company, on the one hand, and the Underwriter, 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 discounts and commissions received by the Underwriter, on the other hand, in each case as set forth in the table on the cover of the Final Prospectus bear to the aggregate initial offering price of the Securities. The relative fault of the Company, on the one hand, and the Underwriter, on the other hand, shall be determined by reference to, among other things, whether the 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, on the one hand, or the Underwriter, on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The amount paid or payable by a party as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include, subject to the limitations set forth in Section 8 hereof, all reasonable legal or other fees or expenses incurred by such party in connection with investigating or defending any action or claim. The provisions set forth in Section 8 hereof with respect to notice of commencement of any action shall apply if a claim for contribution is to be made under this Section 9; provided, however, that no additional notice shall be required with respect to any action for which notice has been given under Section 8 hereof for purposes of indemnification.

The Company and the Underwriter agree that it would not be just and equitable if contribution pursuant to this Section 9 were determined by pro rata allocation (even if the Underwriter 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 in this Section 9.

Notwithstanding the provisions of this Section 9, the Underwriter shall not be required to contribute any amount in excess of the amount by which the total discounts and commissions received by the Underwriter in connection with the Securities distributed by it exceeds the amount of any damages the Underwriter has otherwise paid or become liable to pay by reason of any untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11 of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 9, each director, officer, employee and agent of the Underwriter and each person, if any, who controls the Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act shall have the same rights to contribution as the Underwriter, and each director and officer of the Company who signed the Registration Statement, and each person, if any, who controls the Company with the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, shall have the same rights to contribution as the Company.

The remedies provided for in Section 8 and Section 9 hereof are not exclusive and shall not limit any rights or remedies which may otherwise be available to any Indemnified Person at law or in equity.

If any provision in this Agreement cancels or limits the insurance coverage of the Company, such provision shall be deemed amended to remove such cancellation or limitation or (if it may not be amended) be deemed canceled and of no effect.

10. Termination. Prior to the delivery of and payment for the Securities on the Closing Date or any Additional Closing Date, as the case may be, this Agreement may be terminated by the Underwriter in the absolute discretion of the Underwriter by notice given to the Company if after the execution and delivery of this Agreement: (i) trading or quotation of any securities issued or guaranteed by the Company shall have been suspended or materially limited on any securities exchange, quotation system or in the over-the-counter market; (ii) trading in securities generally on any of the New York Stock Exchange, the Nasdaq Global Market or the over-the-counter market shall have been suspended or materially limited; (iii) a general banking moratorium on commercial banking activities shall have been declared by federal or New York state authorities; (iv) there shall have occurred a material disruption in commercial banking or securities settlement, payment or clearance services in the United States; (v) there shall have occurred any outbreak or escalation of national or international hostilities or any crisis or calamity, or any change in the United States or international financial markets, or any substantial change or development involving a prospective substantial change in general economic, financial or political conditions in the United States or internationally, as in the judgment of the Underwriter is material and adverse and makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Securities on the Closing Date or any Additional Closing Date, as the case may be, in the manner and on the terms described in the Pricing Disclosure Package or to enforce contracts for the sale of securities; or (vi) the Company or any of its subsidiaries shall have sustained a loss by strike, fire, flood, earthquake, accident or other calamity of such character as in the judgment of the Underwriter may interfere materially with the conduct of the business and operations of the Company and its subsidiaries, considered as one entity, regardless of whether or not such loss shall have been insured.

Any termination pursuant to this Section 10 shall be without liability on the part of: (x) the Company to the Underwriter, except that the Company shall continue to be liable for the payment of expenses under Section 6; (y) the Underwriter to the Company; or (z) any party hereto to any other party except that the provisions of Section 8 and Section 9 hereof shall at all times be effective and shall survive any such termination.

11. Reimbursement of the Underwriter's Expenses. If (a) the Company fails to deliver the Securities to the Underwriter for any reason at the Closing Date or any Additional Closing Date, as the case may be, in accordance with this Agreement or (b) the Underwriter decline to purchase the Securities for any reason permitted under this Agreement, then the Company agrees to reimburse the Underwriter for all reasonable out-of-pocket costs and expenses (including the reasonable and documented fees and expenses of counsel to the Underwriter) incurred by the Underwriter in connection with this Agreement and the applicable offering contemplated hereby not to exceed $90,000.

12. Representations and Indemnities to Survive Delivery. The respective indemnities, rights of contribution, agreements, representations, warranties and other statements of the Company and the Underwriter set forth in or made pursuant to this Agreement or made by or on behalf of the Company or the Underwriter pursuant to this Agreement or any certificate delivered pursuant hereto shall remain in full force and effect, regardless of any investigation made by or on behalf of the Underwriter, the Company or any of their respective officers or directors or any controlling person, as the case may be, and shall survive delivery of and payment for the Securities sold hereunder and any termination of this Agreement.

13. Reserved.

14. Notices. All notices, requests, consents, claims, demands, waivers and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (i) when delivered by hand (with written confirmation of receipt), (ii) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested), (iii) on the date sent by email of a PDF document (with confirmation of receipt from the intended recipient by return email or other written acknowledgment) 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 (iv) on the third day after the date mailed, by certified or registered mail (in each case, return receipt requested, postage pre-paid). Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 14):

If to the Underwriter:

Aegis Capital Corp.
810 7th Avenue
18th Floor
New York, NY 10019
Email Address: reide@aegiscap.com
Attention: Robert Eide

with a copy to (which shall not constitute notice):

Kaufman & Canoles, P.C.
Two James Center
1021 East Cary Street, Suite 1400
Richmond, Va. 23219
Email: awbasch@kaufcan.com
awpowell@kaufcan.com
Attention: Anthony W. Basch
Alexander W. Powell, Jr.

If to the Company:

Rail Vision Ltd.
15 Ha'Tidhar St
Ra'anana, 4366517 Israel
Email: shahar@railvision.io
Attention: Shahar Hania

with a copy to (which shall not constitute notice):

McDermott Will & Emery LLP
One Vanderbilt Avenue New York, NY 10017-3852
Email: Gemmanuel@mwe.com
Attention: Gary Emmanuel, Esq.

Any party hereto may change the address for receipt of communications by giving written notice to the others in accordance with this Section 14.

15. Successors. This Agreement shall inure solely to the benefit of and be binding upon the Underwriter, the Company and the other indemnified parties referred to in Section 8 and Section 9 hereof, and in each case their respective successors. Nothing in this Agreement is intended, or shall be construed, to give any other person or entity any legal or equitable right, benefit, remedy or claim under, or in respect of or by virtue of, this Agreement or any provision contained herein. The term "successors," as used herein, shall not include any purchaser of the Securities from the Underwriter merely by reason of such purchase.

16. Reserved.

17. Partial Unenforceability. The invalidity or unenforceability of any Section, paragraph or provision of this Agreement shall not affect the validity or enforceability of any other Section, paragraph or provision hereof. If any Section, paragraph or provision of this Agreement is for any reason determined to be invalid or unenforceable, there shall be deemed to be made such minor changes (and only such minor changes) as are necessary to make it valid and enforceable.

18. Governing Law. This Agreement and any claim, controversy or dispute arising under or related to this Agreement, whether sounding in contract, tort or statute, shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed in such state (including its statute of limitations), without giving effect to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of the State of New York.

19. Consent to Jurisdiction. No legal suit, action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby (each, a ***"Related Proceeding"***) may be commenced, prosecuted or continued in any court other than the courts of the State of New York located in the City and County of New York or in the United States District Court for the Southern District of New York, which courts (collectively, the ***"Specified Courts"***) shall have jurisdiction over the adjudication of any Related Proceeding, and the parties to this Agreement hereby irrevocably consent to the exclusive jurisdiction the Specified Courts and personal service of process with respect thereto. The parties to this Agreement hereby irrevocably waive any objection to the laying of venue of any Related Proceeding in the Specified Courts and irrevocably waive and agree not to plead or claim in any Specified Court that any Related Proceeding brought in any Specified Court has been brought in an inconvenient forum.

20. Waiver of Jury Trial. The parties to this Agreement hereby irrevocably waive, to the fullest extent permitted by applicable law, any and all right to trial by jury in any Related Proceeding.

21. No Fiduciary Relationship. The Company acknowledges and agrees that: (i) the purchase and sale of the Securities pursuant to this Agreement, including the determination of the 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 Underwriter, on the other hand; (ii) in connection with each transaction contemplated hereby and the process leading to such transaction each Underwriter is and has been acting solely as a principal and is not the agent or fiduciary of the Company or its Affiliates, stockholders, members, partners, creditors or employees or any other party; (iii) no Underwriter has assumed or will assume an advisory or fiduciary responsibility in favor of the Company with respect to any of the transactions contemplated hereby or the process leading thereto (irrespective of whether the Underwriter has advised or is currently advising the Company on other matters) or any other obligation to the Company except the obligations expressly set forth in this Agreement; (iv) the Underwriter and its respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company, and the Underwriter have no obligation to disclose any of such interests by virtue of any fiduciary or advisory relationship; and (v) the Underwriter has not provided any legal, accounting, regulatory or tax advice in any jurisdiction with respect to the offering contemplated hereby, and the Company has consulted its own legal, accounting, regulatory and tax advisors to the extent they deemed appropriate. The Company waives and releases, to the full extent permitted by applicable law, any claims it may have against the Underwriter arising from an alleged breach of fiduciary duty in connection with the offering of the Securities or any matters leading up to the offering of the Securities.

22. Compliance with the USA Patriot Act. In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Underwriter is required to obtain, verify and record information that identifies its clients, including the Company, which information may include the name and address of its clients, as well as other information that will allow the Underwriter to properly identify its respective clients.

23. Entire Agreement. This Agreement, together with any contemporaneous written agreements and any prior written agreements (to the extent not superseded by this Agreement) that relate to the offering of the Securities, represents the entire agreement among the Company and the Underwriter with respect to the preparation of the Registration Statement, the Pricing Disclosure Package, the Final Prospectus, each Preliminary Prospectus, each Issuer Free Writing Prospectus, each Testing-the-Waters Communication and each Road Show, the purchase and sale of the Securities and the conduct of the offering contemplated hereby.

24. Amendments or Waivers. No amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by all the parties hereto. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after the waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise of any other right, remedy, power or privilege.

25. Section Headings. The headings herein are included for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

26. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will be deemed to be one and the same agreement. Counterparts may be delivered via email (including PDF or any electronic signature complying with the U.S. federal ESIGN Act of 2000) or other transmission method, and any counterpart so delivered will be deemed to have been duly and validly delivered and be valid and effective for all purposes.

27. Recognition of the U.S. Special Resolution Regimes.

(a) In the event that the Underwriter that is a Covered Entity (as defined below) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from the 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 (as defined below) 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 the Underwriter that is a Covered Entity or a BHC Act Affiliate (as defined below) of the Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights (as defined below) under this Agreement that may be exercised against the 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.

(c) As used in this section:

"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.

[SIGNATURE PAGE FOLLOWS]

If the foregoing is in accordance with your understanding, please indicate your acceptance of this Agreement by signing in the space provided below.

Very truly yours,

Rail Vision Ltd.

By: _____
Name:
Title: Chief Executive Officer

Confirmed and accepted as of the date first above written:

Aegis Capital Corp.

By: _____
Name: Robert Eide
Title: Chief Executive Officer

SCHEDULE I

Underwriters

Underwriter	Number of Closing Units to Be Purchased	Number of Option Shares to Be Purchased if the Maximum Over-Allotment Option Is Exercised
Aegis Capital Corp.	[NUMBER]	[NUMBER]
Total:	[NUMBER]	[NUMBER]

SCHEDULE II

Pricing Disclosure Package

Number of Closing Units:	
Number of Option Shares:	
Number of Option Warrants	
Number of Underwriter's Warrants:	
Public Offering Price per Closing Unit:	$
Public Price per Option Share:	$
Price per Option Warrant:	$
Exercise Price her Warrant per whole share	$
Exercise Price of Underwriter's Warrant	$
Underwriting Discount per Closing Unit:	$
Underwriting Discount per Option Share:	$
Non-accountable expense allowance per Closing Unit:	$

SCHEDULE III

Subsidiaries

None.

EXHIBIT A

Form of Lock-Up Agreement

_____, 2022

Aegis Capital Corp.

810 Seventh Avenue, 18th Floor
New York, NY 10019

Ladies and Gentlemen:

The undersigned understands that Aegis Capital Corp. (the "**Underwriter**"), proposes to enter into an Underwriting Agreement (the "**Underwriting Agreement**") with Rail Vision Ltd., an Israeli company (the "Company"), providing for the public offering (the "Public Offering") of [●] units (each, a "Closing Unit"), with each Closing Unit consisting of one ordinary share, no par value per share, of the Company (the "Ordinary Shares") and one warrant to purchase one Ordinary Share (the "Warrant").

To induce the Underwriter to continue its efforts in connection with the Public Offering, the undersigned hereby agrees that, without the prior written consent of the Underwriter, the undersigned will not, during the period commencing on the date hereof and ending one hundred eighty (180) days after the effective date of the Registration Statement on Form F-1 relating to the Public Offering (the "**Lock-Up Period**"), (1) offer, pledge, sell, contract to sell, grant, lend, or otherwise transfer or dispose of, directly or indirectly, any 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**"); (2) 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 Lock-Up Securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Lock-Up Securities, in cash or otherwise; (3) make any demand for or exercise any right with respect to the registration of any Lock-Up Securities; or (4) publicly disclose the intention to make any offer, sale, pledge or disposition, or to enter into any transaction, swap, hedge or other arrangement relating to any Lock-Up Securities. Notwithstanding the foregoing, and subject to the conditions below, the undersigned may transfer Lock-Up Securities without the prior written consent of the Underwriter in connection with (a) transactions relating to Lock-Up Securities acquired in open market transactions after the completion of the Public Offering; provided that no filing under Section 13 or Section 16(a) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or other public announcement shall be required or shall be voluntarily made in connection with subsequent sales of Lock-Up Securities acquired in such open market transactions; (b) transfers of Lock-Up Securities as a *bona fide* gift, by will or intestacy or to a family member or trust for the benefit of the undersigned (for purposes of this lock-up agreement, "family member" means any relationship by blood, marriage or adoption, not more remote than first cousin); (c) transfers of Lock-Up Securities to a charity or educational institution; (d) if the undersigned is a corporation, partnership, limited liability company or other business entity, (i) any transfers of Lock-Up Securities to another corporation, partnership or other business entity that controls, is controlled by or is under common control with the undersigned or (ii) distributions of Lock-Up Securities to members, partners, stockholders, subsidiaries or affiliates (as defined in Rule 405 promulgated under the Securities Act of 1933, as amended) of the undersigned; (e) if the undersigned is a trust, to a trustee or beneficiary of the trust; provided that in the case of any transfer pursuant to the foregoing clauses (b), (c) (d) or (e), (i) any such transfer shall not involve a disposition for value, (ii) each transferee shall sign and deliver to the Underwriter a lock-up agreement substantially in the form of this lock-up agreement and (iii) no filing under Section 13 or Section 16(a) of the Exchange Act or other public announcement shall be required or shall be voluntarily made during the Lock-Up Period; (f) the receipt by the undersigned from the Company of Ordinary Shares upon the vesting of restricted stock awards or stock units or upon the exercise of options to purchase the Company's Ordinary Shares issued under an equity incentive plan of the Company or an employment arrangement described in the Pricing Prospectus (as defined in the Underwriting Agreement) (the "**Plan Shares**") or the transfer or withholding of 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, provided that if the undersigned is required to file a report under Section 13 or Section 16(a) of 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 and, provided further, that the Plan Shares shall be subject to the terms of this lock-up agreement; (g) the transfer of Lock-Up Securities pursuant to agreements described in the Pricing Prospectus under which the Company has the option to repurchase such securities or a right of first refusal with respect to the transfer of such securities, provided that if the undersigned is required to file a report under Section 13 or Section 16(a) of 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 describing the purpose of the transaction; (h) the establishment of 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; (i) the transfer of Lock-Up Securities that occurs by operation of law, such as pursuant to a qualified domestic order or in connection with a divorce settlement, provided that the transferee agrees to sign and deliver a lock-up agreement substantially in the form of this lock-up agreement for the balance of the Lock-Up Period, and provided further, that any filing under Section 13 or Section 16(a) of the Exchange Act that is required to be made during the Lock-Up Period as a result of such transfer shall include a statement that such transfer has occurred by operation of law; and (j) the transfer of Lock- Up Securities pursuant to a bona fide third party tender offer, 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. For purposes of clause (j) above, "change of control" shall mean the consummation of any bona fide third party tender offer, merger, amalgamation, consolidation or other similar transaction 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. 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 undersigned's Lock-Up Securities except in compliance with this lock-up agreement.

If the undersigned is an officer or director of the Company, (i) the undersigned agrees that the foregoing restrictions shall be equally applicable to any issuer-directed or "friends and family" securities that the undersigned may purchase in the Public Offering; (ii) the Underwriter agrees that, at least three (3) Business Days (as defined in the Underwriting Agreement) before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of Lock-Up Securities, the Underwriter will notify the Company of the impending release or waiver; and (iii) 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 (2) Business Days before the effective date of the release or waiver. Any release or waiver granted by the Underwriter hereunder to any such officer or director shall only be effective two (2) Business Days after the publication date of such press release. The provisions of this paragraph will not apply if (a) the release or waiver is effected solely to permit a transfer of Lock-Up Securities not for consideration and (b) the transferee has agreed in writing to be bound by the same terms described in this lock-up agreement to the extent and for the duration that such terms remain in effect at the time of such transfer.

The undersigned understands that the Company and the Underwriter are relying upon this lock-up agreement in proceeding toward consummation of the Public Offering. The undersigned further understands that this lock-up agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors and assigns.

The undersigned understands that, if the Underwriting Agreement is not executed by all parties thereto by [●] ,2022 or if the Underwriting Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated prior to payment for and delivery of the Ordinary Shares to be sold thereunder, then this lock-up agreement shall be void and of no further force or effect.

Whether or not the Public Offering actually occurs depends on a number of factors, including market conditions. Any Public Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Company and the Underwriter.

Very truly yours,

(Name - Please Print)

_____

(Signature)

_____

_____

(Name of Signatory, in the case of entities - Please Print)

_____

(Title of Signatory, in the case of entities - Please Print)

Address: _____

_____

EXHIBIT B

Form of Lock-Up Waiver

[●], 202[●]

[NAME AND ADDRESS]

Re: Lock-Up Agreement Waiver

Ladies and Gentlemen:

[Pursuant to Section 7(j) of the Underwriting Agreement, dated [●], 2022 (the ***"Underwriting Agreement"***), among Rail Vision Ltd., an Israeli company (the ***"Company"***), and Aegis Capital Corp. (the ***"Underwriter"***), and the Lock-Up Agreement, dated [●], 2022 (the ***"Lock-Up Agreement"***), between you and the Underwriter relating to the Company's ordinary shares, no par value per share (the ***"Shares"***), the Underwriter hereby gives its consent to allow you to sell up to [●] Shares [solely from and including [DATE] to and including [DATE]].]

[Pursuant to Section 7(k) of the Underwriting Agreement, the Underwriter hereby gives its consent to allow the Company to issue and sell up to [●] Shares pursuant to an offering of the Shares to commence prior to the expiration of the Lock-Up Period as defined in the Underwriting Agreement[, provided that such offering closes on or prior to [●]].]

[*Signature Page Follows*]

EXHIBIT C

Form of Lock-Up Waiver Press Release

RAIL VISION LTD.

[Date]

Rail Vision Ltd., an Israeli company (the "Company"), announced today that Aegis Capital Corp., acting as Underwriter in the Company's recent public offering of shares of the Company's ordinary shares, is [waiving] [releasing] a lock-up restriction with respect to 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 [Date], and the shares may be sold on or after such date.

This press release is not an offer or sale of the securities in the United States or in any other jurisdiction where such offer or sale is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act of 1933, as amended.

EXHIBIT D

Certificate of the Company's Chief Executive Officer

OFFICER'S CERTIFICATE

[●], 2022

I, Shahar Hania, Chief Executive Officer of Rail Vision Ltd., an Israeli company (the ***"Company"***), solely in such capacity and not in my individual capacity, do hereby certify that this certificate is being delivered by me pursuant to Section 7(g) of that certain Underwriting Agreement (the ***"Agreement"***; capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Agreement), dated [●], 2022, by and between the Company and Aegis Capital Corp. and do hereby further certify on behalf of the Company that:

1. I have carefully reviewed the Registration Statement, the Pricing Disclosure Package, the Final Prospectus, each Issuer Free Writing Prospectus and each Written Testing-the-Waters Communication and, to my knowledge, the representations set forth in Sections 1(a)(ii), 1(b), 1(c)(i), 1(d)(i), 1(e)(i) 1(f)(ii) and 1(i) of the Agreement are true and correct on and as of the Closing Date;

2. Except as otherwise disclosed in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus (in each case exclusive of any amendment or supplement thereto), since the date of the most recent financial statements included in the Registration Statement, the Pricing Disclosure Package and the Final Prospectus there has been no material adverse change, or any development that could result in a material adverse change, in or affecting the condition (financial or otherwise), earnings, business, properties, management, financial position, stockholders' equity, or results of operations, whether or not arising from transactions in the ordinary course of business, of the Company;

3. The Company has timely performed the covenants and other obligations set forth in Section 7(a) of the Agreement.

4. All of the other representations and warranties of the Company in the Agreement are true and correct on and as of the Closing Date and the Company has complied in all material respects with all agreements and covenants and satisfied all other conditions on its part to be performed or satisfied thereunder at or prior to the Closing Date.

[*Signature Page Follows***]**

Rail Vision Ltd.

By: _____
Name: Shahar Hania
Title: Chief Executive Officer

EXHIBIT E

Form of Underwriter's Warrant Agreement

Exhibit 3.2

AMENDED AND RESTATED ARTICLES

OF ASSOCIATION
OF
Rail Vision Ltd.

THE COMPANIES LAW, 1999
A LIMITED LIABILITY COMPANY

1. **DEFINITIONS; INTERPRETATION**.

(a) In these Articles, the following terms (whether or not capitalized) shall bear the meanings set forth opposite to them respectively, unless inconsistent with the subject or context.

"Articles"	shall mean these Articles of Association, as amended from time to time.
"Administrative Enforcement Proceeding"	An administrative enforcement proceeding in accordance with the provisions of any applicable law, including, the Companies Law, the Economic Competition Law – 1988 and the Securities Law (as updated from time to time), including an administrative petition or any appeal before any authority and/or court or tribunal, in connection with the proceeding, as aforementioned;
"Board of Directors"	shall mean the Board of Directors of the Company.
"Chairman"	shall mean the Chairman of the Board of Directors, or the Chairman of the General Meeting, as the context provides;
"Company"	shall mean Rail Vision Ltd.
"Companies Law"	shall mean the Israeli Companies Law, 5759-1999 and the regulations promulgated thereunder. The Companies Law shall include reference to the Companies Ordinance (New Version), 5743-1983, of the State of Israel, to the extent in effect according to the provisions thereof.
"Director(s)"	shall mean the member(s) of the Board of Directors holding office at any given time, including alternate directors.
"External Director(s)"	shall mean as defined in the Companies Law.
"General Meeting"	shall mean an Annual General Meeting or Special General Meeting of the Shareholders, 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" or "Officer"	shall mean as defined in the Companies Law.
"RTP Law"	shall mean the Israeli Restrictive Trade Practices Law, 5758-1988.
"Securities Law"	shall mean the Israeli Securities Law, 5728-1968.

"Shareholder(s)" shall mean the shareholder(s) of the Company, at any given time.

"in writing" or "writing" shall mean written, printed, photocopied, photographic, 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.

(b) Unless otherwise defined in these Articles or required by the context, terms used herein shall have the meaning provided therefor under the Companies Law.

(c) 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 its entirety and not to any part hereof; all references herein to Articles, Sections or clauses shall be deemed references to Articles, Sections 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, 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 (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 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.

(d) 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.

LIMITED LIABILITY

2. The Company is a limited liability company and therefore each shareholder's obligations to the Company shall be limited to the payment of the nominal value of the shares held by such shareholder, subject to the provisions of the Companies Law.

PUBLIC COMPANY; 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 Company's objectives are to carry on any business, and do any act, which is not prohibited by law.

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 share capital of the Company shall consist of NIS 1,000,000 divided into 100,000,000 Ordinary Shares, par value NIS 0.01 each (the "**Shares**").

(b) The Shares shall rank *pari passu* in all respects.

6. **INCREASE OF AUTHORIZED SHARE CAPITAL**.

(a) 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 its authorized share capital by the creation of new shares. Any such increase shall be in such amount and shall be divided into shares of such nominal amounts, 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 increased as aforesaid shall be subject to all 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) 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 the Companies Law or these Articles, may be modified or cancelled by the Company 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.

(b) 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 present in person or by proxy and holding not less than 15 percent of the issued shares of such class.

(c) 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, by or pursuant to an authorization of a Shareholders' resolution, and subject to applicable law:

(i) consolidate all or any part of its issued or unissued authorized share capital into shares of a per share nominal value which is larger, equal to or smaller than the per share nominal 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 nominal 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 shares which, at the date of the adoption of such resolution, have not been taken or agreed to be taken by any person, 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 nominal 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 of the Company to other shareholders thereof 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).

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, share certificates shall be issued under the corporate seal of the Company or its written, typed or stamped name and may bear the signature of one Director, the Company's CEO 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. For the avoidance of doubt, any transfer agent designated by the Company may issue share certificates on behalf of the Company even if the signatories on the share certificate no longer serve in the relevant capacities at the time of such issuance.

(b) Subject to the Article 9(a), each Shareholder shall be entitled to one numbered certificate for all the shares of any class registered in his name. Each certificate may also specify the amount paid up thereon. The Company (as determined by an officer of the Company to be designated by the Chief Executive Officer) shall not refuse a request by a Shareholder to obtain several certificates in place of one certificate, unless such request is, in the opinion of such officer, unreasonable. 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 full 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 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 the 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 the 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 payment of dividends and no shareholder will have the right to require the Company to purchase his 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 (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. 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 fourteen (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 such nominal value of such share or by way of premium), 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, without limitation, 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 fourteen (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 stop 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 52 and 56 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 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 another.

(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 stop 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 debts, liabilities and engagements to the Company arising from any amount payable by such shareholder in respect of any unpaid or partly paid share, 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 share. 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 fourteen (14) days after written notice of the intention to sell shall have been served on such shareholder, his 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 share (whether or not the same have matured), and the residue (if any) shall be paid to the shareholder, his executors, administrators or assigns.

17. **SALE AFTER FORFEITURE OF SURRENDER OR IN 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 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 person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

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 holder of such shares 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 its nominee shall be transferrable in accordance with the policies and procedures of The Depository Trust Company. 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 the Nasdaq or on any other stock exchange on which the Company's shares are then listed for trading.

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) In case of a share registered in the names of two or more holders, the Company may recognize the survivor(s) as the sole owner(s) thereof unless and until the provisions of Article 21(b) have been effectively invoked.

(b) 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.

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 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 out of the State of Israel, as may be determined by the Board of Directors, no later than fifteen (15) months after the last Annual General Meeting.

(b) All General Meetings other than Annual General Meetings shall be called "**Special General Meetings**".

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 holding at least one percent (1%) or a higher percent, as may be required by the Companies Law from time to time, of the voting rights of the Company (the "**Proposing Shareholder(s)**") may request, subject to the Companies Law, 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 determines that the matter is appropriate to be considered in a General Meeting (a "**Proposal Request**"). In the event a Proposal Request is with respect to election of directors, it shall be limited to an Annual Shareholders Meeting. In order for the Board of Directors to consider a Proposal Request and whether to include the matter stated therein in the agenda of a General Meeting, notice of the Proposal Request must be timely delivered in accordance with applicable laws, and the Proposal Request must comply with the requirement 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 certified mail, postage prepaid, and received by the Secretary (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. 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, the Proposal Request must include the following: (i) the name, address, telephone number, fax 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 appear in person or by proxy at the meeting; (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 proposes to be voted upon at the General Meeting and, if the Proposing Shareholder wishes to have a position statement in support of the Proposal Request, a copy of such position statement that complies with the requirement of any applicable law (if any), (iv) a description of all arrangements or understandings between the Proposing Shareholders 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 twelve (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 in 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 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 such class or series), 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) five business 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.

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 requirements applicable to the Company. Notwithstanding anything herein to the contrary, to the extent permitted under the Companies Law, with the consent of all Shareholders entitled to vote thereon, a resolution may be proposed and passed at such meeting although a lesser notice period than hereinabove prescribed has been given.

(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, 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 percent of the voting power of the Company, shall constitute a quorum of General Meetings. A proxy may be deemed to be two (2) or more Shareholders pursuant to the number of Shareholders represented by the proxy holder.

(c) If within half an hour from the time appointed for the meeting a quorum is not present, then the meeting shall be canceled if it was convened upon requisition under Section 63 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 to such meeting, or (iii) to such day and at such time and place as the Chairman 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. At such adjourned meeting any shareholder (not in default as aforesaid) present in person or by proxy, shall constitute a quorum.

28. **CHAIRMAN OF GENERAL MEETING**.

The Chairman of the Board of Directors shall preside as Chairman of every General Meeting of the Company. If at any meeting the Chairman is not present within fifteen (15) minutes after the time fixed for holding the meeting or is unwilling to act as Chairman, any of the following may preside as Chairman of the meeting (and in the following order): Director, Chief Executive Officer, Chief Financial Officer, Secretary 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 to act as Chairman, the Shareholders present (in person or by proxy) shall choose a Shareholder or its proxy present at the meeting to be Chairman. 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).

29. **ADOPTION OF RESOLUTIONS AT GENERAL MEETINGS**.

(a) Except as required by the Companies Law or these Articles, including, without limitation, Article 39 below, 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. Without limiting the generality of the foregoing, 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) Every question submitted to a General Meeting shall be decided by a show of hands, but the Chairman of the General Meeting may determine that a resolution shall be decided by a written ballot. A written ballot may be implemented 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.

(c) A declaration by the Chairman 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 Chairman of a General Meeting at which a quorum is present (and he shall if so 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 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 (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 him of record, on every resolution, without regard to whether the vote thereon is conducted by a show of hands, by written ballot 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 in respect of his shares in the Company have been paid.

(b) A company or other corporate body being a Shareholder of the Company may duly authorize any person to be its representative at any 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 Chairman of the General Meeting, written evidence of such authorization (in form acceptable to the Chairman) shall be delivered to him.

(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 representative authorized pursuant to Article (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 Shareholder.

(e) A Shareholder who wishes to vote at a General Meeting shall prove his title to a share to the Company as required under the Companies Law and regulations promulgated thereunder. 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 [___] 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 adjournment(s) thereof.

Signed this ____ day of _____, _____.

(Signature of Appointor)"

or in any such form as may be approved by the Board of Directors.

(b) Subject to the Companies Law, the original instrument appointing a proxy or a copy thereof (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 place of business, or at the offices of its registrar or transfer agent, or at such place as notice of the meeting may specify) not less than forty eight (48) hours (or such shorter period as the notice shall specify) before the time fixed for such meeting. Notwithstanding the above, the Chairman 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 adjourned meeting of the General Meeting to which the document relates.

34. **EFFECT OF DEATH OF APPOINTOR OF TRANSFER OF SHARE AND OR REVOCATION OF APPOINTMENT**.

(a) A vote cast in accordance with an instrument appointing a proxy shall be valid notwithstanding the prior death or bankruptcy of the appointing shareholder (or of his attorney-in-fact, if any, who signed such instrument), or the transfer of the share in respect of which the vote is cast, unless written notice of such matters shall have been received by the Company or by the Chairman 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 Chairman, 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 Chairman 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.

35. **POWERS OF 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 regulation or resolution consistent with these Articles adopted from time to time at a General Meeting, 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.

(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 from time to time think fit.

36. **EXERCISE OF POWERS OF 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 (in these Articles referred to as a "**Committee of the Board of Directors**", or "**Committee**"), each consisting of one or more persons (who may or may not be Directors), and it may from time to time revoke such delegation or alter the composition of any such Committee. No regulation 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 the Committee which would have been valid if such regulation or resolution of the Board had not been adopted. The meeting and proceedings of any such Committee of the Board of Directors 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 regulations adopted by the Board of Directors or by the Companies Law. Unless otherwise expressly prohibited by the Board of Directors in delegating powers to a Committee of the Board of Directors, such Committee shall be empowered to further delegate such powers.

(b) Without derogating from the provisions of Article 49, the Board of Directors may from time to time appoint a Secretary to 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.

(c) 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.

38. **NUMBER OF DIRECTORS.**

The Board of Directors shall consist of such number of Directors, not less than four (4) nor more than thirteen (13), including the External Directors, which will be elected if and as required under the Companies Law, as may be fixed from time to time by the Board of Directors.

39. **ELECTION AND REMOVAL OF DIRECTORS.**

(a) Appointment of Directors by Shareholders holding at least 10% of the issued share capital

(i) Subject to the provisions of the Companies Law with regard to External Directors, any Shareholder who directly holds at least 10% of the issued share capital of the Company (the "**Appointing Shareholder**"), shall be entitled to appoint one Director (the "**Appointed Director**"), for each 10% of the issued share capital of the Company held by said Shareholder.

(ii) The appointment of the Appointed Director will be made by informing the Company of such appointment by written notice, signed by the Appointing Shareholder (the "**Appointment Notice**").

(iii) The Appointment Notice will include the identity of the Appointed Director and, unless such notice only extends the term of office of the present Appointed Director, all the information necessary under the Securities Law and its regulations concerning the Appointed Director, including a signed statement of such under section 241 of the Companies Law, as well as any other document, as determined necessary by the Company under the Securities Law and its regulations and the Companies Law and its regulations. The Appointment Notice will be accompanied by confirmation of a Stock Exchange Member indicating the shareholdings of the Appointing Shareholder in the Company, as of the date on which the Appointing Notice was delivered.

(iv) An Appointing Shareholder shall also be entitled to replace or remove from office any Appointed Director appointed by such shareholder, at any time, by written notice to the Company, signed by the Appointing Shareholder. The date of such replacement or removal from office will be the date on which said notice was delivered to the Company or later, if a later date was specified in the notice of the Appointing Shareholder.

(v) The appointment of the Appointed Director will be for an undefined period starting on the date stated in the Appointment Notice (but not before the date said notice was delivered to the Company). In the event that an Appointed Director resigned or was replaced or removed from office by the Appointing Shareholder, the appointment of his/her replacement shall go into effect as of the date stated in the Appointment Notice (but not before the date said notice was delivered to the Company).

(vi) If the direct shareholdings of the Appointing Shareholder are lower than the threshold that entitled said Shareholder to appoint the Appointed Director as aforesaid, the right of said Shareholder to appoint, remove or replace the Appointed Directors shall decrease or terminate (as the case may be). Without derogating from other reporting obligations under any law applicable to the Shareholders in relation to their shareholdings, the Appointing Shareholder must provide the Company with written notice in any event that the shareholdings of said Shareholder are lower than the shareholdings rate that entitled said Shareholder to appoint an Appointed Director.

(b) Electing Directors by the Annual General Meeting and the Board of Directors

(i) Without derogating from the rights of the Appointing Shareholders to appoint Appointed Directors, as stated in Article 39(a) above, the Annual General Meeting may elect and appoint members to the Board of Directors (the "**Elected Directors**"), by a resolution adopted by an ordinary majority (unless otherwise required under the Companies Law in regard to the appointment of External Directors). It is clarified that an Appointing Shareholder may also participate and vote on such resolution. The appointment of an Elected Director (excluding External Directors) will be for a fixed term, starting as of the date of the resolution of the Annual General Meeting (or a later date, as decided by the Annual General Meeting), and ending at the end of the Annual General Meeting following the appointment.

(ii) Subject to the provisions of the Companies Law concerning External Directors, no candidate shall be appointed as an Elected Director in the Annual General Meeting unless the Board of Directors had recommended his appointment and for that matter noting the candidate's name on the Company's notice of convening the Annual General Meeting shall be deemed as a recommendation by the Board of Directors of his appointment or if a Shareholder in the Company who seeks to appoint him had provided the Company, no later than 7 days following the publishing of the notice of the Annual Meeting, a written document, signed by the Shareholder, informing of that Shareholder's intention to propose that the said candidate shall be appointed as an Elected Director, to which the written consent to preside as a Director by the candidate is attached.

(iii) Subject to the maximum number of Directors, as aforesaid, the Board of Directors may appoint an additional Director or Directors to the Company, until the said maximum number, and a Director appointed as aforesaid shall preside until the date of the next Annual General Meeting following his appointment by the Board of Directors.

(iv) The Annual General Meeting or the Board of Directors may determine that the term of a Director appointed by it, as the case may be, shall commence at a later date than the date mentioned in the resolution for his appointment.

(c) Notwithstanding anything to the contrary in these Articles, the election, qualification, removal or dismissal of External Directors shall be only in accordance with the applicable provisions set forth in the Companies Law.

(d) Directors whose terms of office have expired or terminated may be re-elected. The aforesaid will not apply to external directors, whose reappointment shall be in accordance with the provisions of the Companies Law and the regulations promulgated thereunder.

40. **COMMENCEMENT OF DIRECTORSHIP**.

Without derogating from Article 39, the term of office of a Director shall commence as of the date of his appointment or election, or on a later date if so specified in his appointment or election.

41. **CONTINUING DIRECTORS IN THE EVENT OF VACANCIES**.

The Board 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 pursuant to Article 38 hereof, they may only act in an emergency or to fill the office of director which has become vacant up to a number equal to the minimum number provided for pursuant to Article 38 hereof. 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 shall determine at the time of appointment the class pursuant to Article 39 to which the additional Director shall be assigned.

42. **VACATION OF OFFICE**.

The office of a Director shall be vacated and he or she shall be dismissed or removed in any of the following:

(a) In the event he resigned or for an Appointed Director – was dismissed by whoever appointed said Director; ;

(b) For an Appointed Director – the shareholdings of the Appointing Shareholder are below the shareholding rate entitling the appointment of the Appointed Director. In such event, the office of the Appointed Director shall expire immediately upon the decrease in the shareholdings of the Appointing Shareholder who appointed said Director. If, despite said decrease in shareholdings, the Appointing Shareholder is still entitled to appoint one or more Directors in the Company, excluding the Director the office of which is terminated under this section, the Appointing Shareholder will inform the Company, by written notice, of the identity of the Director of those appointed by said Shareholder, for which the term of office has expired. If such notice is not provided within seven (7) days from the date of change of shareholdings of the Appointing Shareholder, the term of office of the Appointed Director who was appointed by said Shareholder with the shortest tenure, shall expire. If there were several Appointed Directors with the same tenure, the term of office of the director with the family name (in English) beginning with the higher letter would expire (for example - the term of office of an Appointed Director whose family name begins with the letter E would expire before an Appointed Director whose family name begins with the letter B);

(c) In relation to an Elected Director - in the event that the appointment of an Appointed Director is requested while the Company's Board of Directors has directors (including External Directors) in the maximum number specified in Article 39 (i.e - 13 directors), the term of the Elected Director (who is not an External Director) who has the shortest term of office as of the date of commencement of the term of office of the Appointed Director as aforesaid. If there are several Elected Directors (who are not External Directors) with the same shortest tenure, the term of office of the Elected Director with the family name (in English) starting with the higher letter will expire (for example - the term of office of an Elected Director whose family name begins with letter E before an Elected Director whose family name begins with the letter B);

(d) In the event he or she was declared bankrupt, provided that he has not been exempted;

(e) In the event he or she was convicted of a felony according to Section 232 of the Companies Law;

(f) Pursuant to a court judgment according to Section 233 of the Companies Law;

(g) In the event he or she had been declared legally incompetent;

(h) In the event that his or her term has automatically ended under the law;

(i) In the event he or she died;

(j) At the date of provision of notice of an enforcement measure according to Section 232a of the Companies Law;

(k) At the date of provision of notice according to Section 227a or 245a of the Companies Law

(l) 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

(m) with respect to an External Director, and notwithstanding anything to the contrary herein, only pursuant to applicable law.

In the event that a Director's position had been vacated, the Board of Directors may continue to act in any matter whatsoever as long as the number of Directors is not smaller than the minimum number of Directors set by these Articles. In the event that the number of Directors was smaller than that number, the Board of Directors shall not be entitled to operate but for the appointment of additional Directors so that the number of Directors meets the minimum threshold stated above, by resolution of the Board of Directors, according to Article 39(b) above or for the purposes of convening a General Meeting, in order to appoint additional Directors and for no other purpose.

43. **Conflict of Interests; Approval of Related Party Transactions**.

Subject to the provisions of the Companies Law and these Articles, no Director shall be disqualified by virtue of his 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 interest, as well as any material fact or document, must be disclosed by him at the meeting of the Board of Directors at which the contract or arrangement is first considered, if his 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 interest.

44. **Alternate Directors**.

(a) Subject to the provisions of the Companies Law, a Director may, by written notice to the Company, appoint, remove or replace any person as an alternate for himself; provided that the appointment of such person shall have effect only upon and subject to its being approved by the Board (in these Articles, an "**Alternate Director**"). 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 all purposes, and for a period of time concurrent with the term of the appointing Director.

(b) Any notice to the Company pursuant to Article 44(a) shall be given in person to, or by sending the same by mail to the attention of the Chairman of the Board of Directors at the principal office of the Company or to such other person or place as the Board of Directors shall have determined for such purpose, and shall become effective on the date fixed therein, upon the receipt thereof by the Company (at the place as aforesaid) or upon the approval of the appointment by the Board, whichever is later.

(c) An Alternate Director shall have all the rights and obligations of the Director who appointed him, provided however, that (i) he may not in turn appoint an alternate for himself (unless the instrument appointing him otherwise expressly provides), and (ii) 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.

(d) Any individual, who qualifies to be a member of the Board of Directors, may act as an Alternate Director. One person may not act as Alternate Director for several directors.

(e) The office of an Alternate Director shall be vacated under the circumstances, *mutatis mutandis*, set forth in Article 42, and such office shall ipso facto be vacated if the office of the Director who appointed such Alternate Director is vacated, for any reason.

PROCEEDINGS OF THE BOARD OF DIRECTORS

45. **MEETINGS**.

(a) The Board of Directors may meet and adjourn its meetings and otherwise regulate such meetings and proceedings as the Directors think fit but in any event at least once every there (3) months. The Chairman of the Board may convene the Board of Directors at any time and set the place and time for the Board of Directors' meeting.

(b) Without derogating from the aforementioned, the Chairman of the Board will be obligated to convene the Board of Directors in the event that one or more of the following shall occur:

(i) A demand had been received from at least two (2) Directors for the purpose of discussing a matter detailed in their demand, and if the Board of Directors consists of the minimal number of Directors (or less), as specified in Article 39, or the instance described in Section 257 of the Companies Law is taking place, a demand to convene the Board of Directors made by at least one Director, for the purpose of discussing a matter detailed in his demand, will be sufficient;

(ii) A notice or a report by the Chief Executive Officer, which requires an action by the Board of Directors, is provided;

(iii) A notice by the Auditor of substantial deficiencies in the Company's audit is provided.

Upon receipt of such notice or report as aforementioned, the Chairman of the Board shall convene the Board of Directors without delay and no later than 14 days from the date of the demand, notice or report, as the case may be.

(c) Notice of any such meeting shall be given in writing.

(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.

46. **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 in 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) when the meeting proceeds to business. If after a half an hour from the time set for the Board meeting, no quorum is present, the meeting shall be postponed by three (3) business days or at a later date ("**Postponed Meeting**"). In such a Postponed Meeting, in the event that there shall be no legal quorum at after half an hour has elapsed from the time set thereof, the Directors who are present and who are eligible to vote shall constitute a legal quorum.

47. **Chairman of the Board of Directors**.

The Board of Directors shall, 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 in his 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 fifteen (15) minutes of the time fixed for the meeting or if he is unwilling to take the chair, the Directors present shall choose one of the Directors present at the meeting to be the Chairman of such meeting. The office of Chairman of the Board of Directors shall not, by itself, entitle the holder to a second or casting vote.

48. **Validity of Acts Despite Defects**.

All acts done or transacted 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 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

49. **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 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

50. **Minutes.**

Any minutes of the General Meeting or the Board of Directors or any committee thereof, if purporting to be signed by the Chairman of the General Meeting, the Board or a committee thereof, as the case may be, or by the Chairman of the next succeeding General Meeting, meeting of the Board or meeting of a committee thereof, as the case may be, shall constitute prima facie evidence of the matters recorded therein.

Dividends

51. **Declaration of Dividends**.

The Board of Directors may from time declare, and cause the Company to pay, such dividend as may appear to the Board of Directors to be justified by the profits of the Company and 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.

52. **Amount Payable by Way of Dividends**.

(a) 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 in proportion to their respective holdings of the shares in respect of which such dividends are being paid.

(b) Whenever the rights attached to any shares or the terms of issue of the shares do not provide otherwise, shares which are fully paid up or which are credited as fully or partly paid within any period which in respect thereof dividends are paid shall entitle the holders thereof to a dividend in proportion to the amount paid up or credited as paid up in respect of the nominal value of such shares and to the date of payment thereof (pro rata temporis).

53. **Interest**.

No dividend shall carry interest as against the Company.

54. **Capitalization of Profits, Reserves, etc**.

The Board of Directors may determine that the Company (i) 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 shares or debentures or debenture stock; and (ii) may cause such distribution or payment to be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.

55. **Implementation of Powers**.

For the purpose of giving full effect to any resolution under Article 54, and without derogating from the provisions of Article 56 hereof, the Board of Directors may settle any difficulty which may arise in regard to the distribution as it thinks expedient, and, in particular, 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 a certain determined value 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, a proper contract shall be filed in accordance with Section 291 of the Companies Law, 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.

56. **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.

57. **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.

58. **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 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.

59. **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 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 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 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.

60. **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

61. **Books of Account**.

The Company's books of account shall be kept at the Office of the Company, 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. The Company shall not be required to send copies of its annual financial statements to the Shareholders.

62. **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 (with right of delegation to management) to fix such remuneration subject to such 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).

62A. **INTERNAL AUDITOR**.

To the extent required by the Companies Law the Board of Directors will appoint an internal auditor according to the audit committee's recommendation ("**Internal Auditor**").

The Internal Auditor shall submit, for the approval of the Board of Directors or the audit committee, 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 deem 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

63. **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 all 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 branch registers.

EXEMPTION, INDEMNITY AND INSURANCE

64. **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 of its Office Holders imposed on such Office Holder due to an act performed by or an omission of the Office Holder in the Office Holder's capacity as an Office Holder of the Company 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 of the RTP Law).

65. **INDEMNITY**.

(a) Subject to the provisions of the Companies Law, the Company may retroactively indemnify an Office Holder of the Company with respect to the following liabilities and expenses, provided that such liabilities or expenses were imposed on such Office Holder or incurred by such Office Holder due to an act performed by or an omission of the Office Holder in such Office Holder's capacity as an Office Holder of the Company:

(i) a financial liability imposed on an Office Holder in favor of another person by any court judgment, including a judgment given as a result of a settlement or an arbitrator's award which has been confirmed by a court in respect of an act performed by the Office Holder;

(ii) reasonable litigation expenses, including attorneys' fees, expended by the Office Holder as a result of an investigation or a proceeding instituted against him by an authority qualified to administrate such investigation or proceeding, where such investigation or proceeding is concluded without the filing of an indictment against the Officer and without any financial obligation imposed on him in lieu of criminal proceedings or that is concluded without the filing of an indictment against the Officer but with a financial obligation imposed on the Officer in lieu of criminal proceedings with respect to a crime that does not require proof of criminal intent (*Mens Rea)* or in relation to a monetary sanction. In this section : (1) "conclusion of proceedings without the filing of an indictment in a matter in which a criminal investigation has been opened" , and (2) "financial obligation in lieu of criminal proceedings" shall have the meaning assigned to them in section 260(a)(1a) of the Companies Law;

(iii) reasonable litigation costs, including attorney's fees, expended by an Office Holder or which were imposed on an Office Holder by a court in proceedings filed against the Office Holder by the Company or in its name or by any other person or in a criminal charge in respect of which the Office Holder was acquitted or in a criminal charge in respect of which the Office Holder was convicted for an offence which did not require proof of criminal intent *(Mens Rea)*;

(iv) Expenses incurred by the Officer or imposed on him with connection of an administrative enforcement proceeding conducted against him, including reasonable litigation expenses, including attorneys' fees, to the extent permitted by law;

(v) Payment to an Injured Party Resulting from a Breach including reasonable litigation expenses, including attorneys' fees; and

(vi) 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)(1) of the RTP Law).

(b) Subject to the provisions of the Companies Law, the Company may undertake to indemnify an Office Holder, in advance, with respect to those liabilities and expenses described in the following Articles:

(i) Sub-Article 65(a)(ii) to 65(a)(vi); and

(ii) Sub-Article 65(a)(i), provided that:

(1) the undertaking to indemnify is 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 criterion which the Directors may, at the time of the giving of such undertaking to indemnify, deem to be reasonable under the circumstances; and

(2) the undertaking to indemnify shall set forth such events which the 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 the amounts and/or criterion which the Directors may, at the time of the giving of such undertaking to indemnify, deem to be reasonable under the circumstances.

The maximum amount of indemnification payable by the Company with respect to those liabilities and expenses described in Sub-Article 65(a)(i), for each Office Holder and for all Office Holders together, individually or in aggregate, under all letters of indemnification issued or to be issued by the Company, shall not exceed the greater of $8,000,000 and 25% of the Company's Determining Equity.

For that purpose, the "**Company's Determining Equity**" means its equity according to its most recent audited or reviewed financial statements, as the case may be, as of the date of actual payment of indemnification.

66. **EXEMPTION**.

Subject to the provisions of the Companies Law and the Securities Law, the Company may exempt and release, 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.

Notwithstanding the foregoing, the Company may not exempt a Director in advance from his liability for damages with respect to violation of his duty of care to the Company with respect to distributions. In addition, the Company may not exempt an Office Holder from his liability to the Company with regard to a resolution and/or a transaction in which the controlling Shareholder and/or any Office Holder has a personal interest.

67. Subject to the provisions of the Companies Law and the provisions of any other law, the Company may exempt, insure and/or indemnify (whether retroactively or by way of advance indemnity undertaking) a person who has held, holds or will hold office and/or who was employed, is employed or will be employed on the Company's behalf or in another company in which the Company holds securities, directly or indirectly, or in which the Company has any interest due to liability, payment or cost imposed upon him or expensed by him in consequence of an action made by him in his capacity as an officer or an employee in such company, and Articles 64 through 66 shall apply, mutatis mutandis, in that respect.

68. The provisions of Articles 64 through 66 shall also apply to an alternate director.

69. **GENERAL**.

(a) Any amendment to the Companies Law adversely affecting the right of any Office Holder to be indemnified or insured pursuant to Articles 64 to 68 and any amendments to Articles 64 to 68 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 64 to 68 (i) shall apply to the maximum extent permitted by law (including, the Companies Law, the Securities Law and the RTP 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.

WINDING UP

70. **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 nominal value of their respective holdings of the shares in respect of which such distribution is being made.

NOTICES

71. **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 (airmail if sent internationally) 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.

(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 or the Chief Executive Officer of the Company at the principal office of the Company, by facsimile transmission, or by sending it by prepaid registered mail (airmail if posted outside Israel) to the Company at its Office.

(c) Any such notice or other document shall be deemed to have been served:

(i) in the case of mailing, forty-eight (48) hours after it has been posted, or when actually received by the addressee if sooner than forty-eight hours after it has been posted;

(ii) in the case of overnight air courier, on the next business day following the day sent, with receipt confirmed by the courier, or when actually received by the addressee if sooner than three business days after it has been sent;

(iii) in the case of personal delivery, when actually tendered in person, to such addressee; or

(iv) in the case of facsimile, email or other electronic transmission, on the first business day (during normal business hours in place of addressee) on which the sender receives automatic electronic confirmation by the addressee's facsimile machine that such notice was received by the addressee or delivery confirmation from the addressee's email or other communication server.

(d) 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 other respect, to comply with the provisions of this Article 71.

(e) 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.

(f) Any shareholder whose address is not described 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 from the Company.

(g) Notwithstanding anything to the contrary contained herein, notice by the Company of a General Meeting, containing the information required by applicable law and these Articles to be set forth therein, which is published, within the time otherwise required for giving notice of such meeting, in the manner required by applicable law.

* * *

Exhibit 4.1

THE REGISTERED HOLDER OF THIS PURCHASE WARRANT BY ITS ACCEPTANCE HEREOF, AGREES THAT IT WILL NOT SELL, TRANSFER OR ASSIGN THIS PURCHASE WARRANT EXCEPT AS HEREIN PROVIDED AND THE REGISTERED HOLDER OF THIS PURCHASE WARRANT AGREES THAT IT WILL NOT SELL, TRANSFER, ASSIGN, PLEDGE OR HYPOTHECATE THIS PURCHASE WARRANT FOR A PERIOD OF ONE HUNDRED EIGHTY DAYS FOLLOWING FEBRUARY 4, 2022 (THE ***"EFFECTIVE DATE"***) TO ANYONE OTHER THAN (I) AEGIS CAPITAL CORP. OR A SELECTED DEALER IN CONNECTION WITH THE OFFERING FOR WHICH THIS PURCHASE WARRANT WAS ISSUED TO THE UNDERWRITER AS CONSIDERATION (THE ***"OFFERING"***), OR (II) A BONA FIDE OFFICER OR PARTNER OF AEGIS CAPITAL CORP.

THIS PURCHASE WARRANT IS NOT EXERCISABLE PRIOR TO [●], 2022. VOID AFTER 5:00 P.M., EASTERN TIME, [●], 2027.

ORDINARY SHARE PURCHASE WARRANT

FOR THE PURCHASE OF [●] ORDINARY SHARES

OF

RAIL VISION LTD.

1. Purchase Warrant. THIS CERTIFIES THAT, in consideration of funds duly paid by or on behalf of Aegis Capital Corp. (***"Holder"***), as registered owner of this Purchase Warrant, to Rail Vision Ltd., an Israeli company (the ***"Company"***), Holder is entitled, at any time or from time to time beginning [●], 2022 (the ***"Commencement Date"***), and at or before 5:00 p.m., Eastern time, on [●], 2027 (the ***"Expiration Date"***), but not thereafter, to subscribe for, purchase and receive, in whole or in part, up to [●] ordinary shares of the Company, par value NIS 0.01 per share (the ***"Shares"***), subject to adjustment as provided in Section 6 hereof. If the Expiration Date is not a Business Day, then this Purchase Warrant may be exercised on the next succeeding Business Day. During the period ending on the Expiration Date, the Company agrees not to take any action that would terminate this Purchase Warrant. This Purchase Warrant is initially exercisable at $[●] per Share; provided, however, that upon the occurrence of any of the events specified in Section 6 hereof, the rights granted by this Purchase Warrant, including the exercise price per Share and the number of Shares to be received upon such exercise, shall be adjusted as therein specified. The term ***"Exercise Price"*** shall mean the initial exercise price or the adjusted exercise price, depending on the context, and the term "***Business Day***" shall mean a day other than a Saturday, Sunday or any other day which is a federal legal holiday in the United States or any day on which the Federal Reserve Bank of New York is authorized or required by law or other governmental action to close, provided that the Federal Reserve Bank of New York shall not be deemed to be authorized or obligated to be closed due to a "shelter in place," "non-essential employee" or similar closure of physical location at the direction of any governmental authority if the bank's electronic funds transfer systems (including for wire transfers) are open for use by customers on such day.

2. Exercise.

2.1 Exercise Form. In order to exercise this Purchase Warrant, the exercise form attached hereto must be duly executed and completed and delivered to the Company, together with this Purchase Warrant and, subject to Section 2.2, payment of the Exercise Price for the Shares being purchased payable in cash by wire transfer of immediately available funds to an account designated by the Company or by certified check or official bank check. If the subscription rights represented hereby shall not be exercised at or before 5:00 p.m., Eastern time, on the Expiration Date, this Purchase Warrant shall become and be void without further force or effect, and all rights represented hereby shall cease and expire. Each exercise hereof shall be irrevocable.

2.2 Cashless Exercise. If at any time on or after the Commencement Date, there is no effective registration statement registering, or the prospectus contained therein is not available for the issuance of the Shares to the Holder, then in lieu of exercising this Purchase Warrant by payment of cash or check payable to the order of the Company pursuant to Section 2.1 above, Holder may elect to receive the number of Shares equal to the value of this Purchase Warrant (or the portion thereof being exercised), by surrender of this Purchase Warrant to the Company, together with the exercise form attached hereto, in which event the Company will issue to Holder Shares in accordance with the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where,

X = The number of Shares to be issued to Holder;
Y = The number of Shares for which the Purchase Warrant is being exercised;
A = The fair market value of one Share; and
B = The Exercise Price.

For purposes of this Section 2.2, the fair market value of a Share is defined as follows:

(i) if the Company's ordinary shares are traded on a national securities exchange, the OTCQB or OTCQX, the fair market value shall be deemed to be the closing price on such exchange, the OTCQB or OTCQX, as the case may be, on the Business Day immediately preceding the date that the exercise form is delivered pursuant to Section 8.4 in connection with the exercise of the Purchase Warrant; or

(ii) if the Company's ordinary shares are not then traded on a national securities exchange, the OTCQB or OTCQX and if prices for the Company's ordinary shares are then reported on the "Pink Sheets" published by OTC Markets Group, Inc., the fair market value shall be deemed to be the closing bid prior to the exercise form being submitted in connection with the exercise of the Purchase Warrant so reported; provided, however, if there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the Company's Board of Directors.

2.3 Legend. Each certificate for the securities purchased under this Purchase Warrant shall bear a legend as follows unless such securities have been registered under the Securities Act of 1933, as amended (the ***"Act"***):

The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended (the "Act"), or applicable state law. Neither the securities nor any interest therein may be offered for sale, sold or otherwise transferred except pursuant to an effective registration statement under the Act, or pursuant to an exemption from registration under the Act and applicable state law which, in the opinion of counsel to Rail Vision Ltd., is available.

2.4 Resale of Shares. Holder and the Company acknowledge that as of the date hereof the Staff of the Division of Corporation Finance of the SEC has published Compliance & Disclosure Interpretation 528.04 in the Securities Act Rules section thereof, stating that the holder of securities issued in connection with a public offering may not rely upon Rule 144 promulgated under the Act to establish an exemption from registration requirements under Section 4(a)(1) under the Act, but may nonetheless apply Rule 144 constructively for the resale of such shares in the following manner: (a) provided that six months has elapsed since the last sale under the registration statement, an underwriter or finder may resell the securities in accordance with the provisions of Rule 144(c), (e), and (f), except for the notice requirement; (b) a purchaser of the shares from an underwriter receives restricted securities unless the sale is made with an appropriate, current prospectus, or unless the sale is made pursuant to the conditions contained in (a) above; (c) a purchaser of the shares from an underwriter who receives restricted securities may include the underwriter's holding period, provided that the underwriter or finder is not an affiliate of the issuer; and (d) if an underwriter transfers the shares to its employees, the employees may tack the firm's holding period for purposes of Rule 144(d), but they must aggregate sales of the distributed shares with those of other employees, as well as those of the underwriter or finder, for a six-month period from the date of the transfer to the employees. Holder and the Company also acknowledge that the Staff of the Division of Corporation Finance of the SEC has advised in various no-action letters that the holding period associated with securities issued without registration to a service provider commences upon the completion of the services, which the Company agrees and acknowledges shall be the final closing of the Offering, and that Rule 144(d)(3)(ii) provides that securities acquired from the issuer solely in exchange for other securities of the same issuer shall be deemed to have been acquired at the same time as the securities surrendered for conversion (which the Company agrees is the date of the initial issuance of this Purchase Warrant). In the event that following a reasonably-timed written request by Holder to transfer the Shares in accordance with Compliance & Disclosure Interpretation 528.04 counsel for the Company in good faith concludes that Compliance & Disclosure Interpretation 528.04 no longer may be relied upon as a result of changes in applicable laws, regulations, or interpretations of the SEC Division of Corporation Finance, or as a result of judicial interpretations not known by the Company or its counsel on the date hereof (either, a ***"Registration Trigger Event"***), then the Company shall promptly, and in any event within five (5) Business Days following the request, provide written notice to Holder of such determination. As a condition to giving such notice, the parties shall negotiate in good faith a single demand registration right pursuant to an agreement in customary form reasonably acceptable to the parties; provided that notwithstanding anything to the contrary, the obligations of the Company pursuant to this Section 2 shall terminate on the fifth anniversary of the commencement of sales of the public offering. In the absence of such conclusion by counsel for the Company, the Company shall, upon such a request of Holder given no earlier than six months after the final closing of the Offering, instruct its transfer agent to permit the transfer of such shares in accordance with Compliance & Disclosure Interpretation 528.04, provided that Holder has provided such documentation as shall be reasonably be requested by the Company to establish compliance with the conditions of Compliance & Disclosure Interpretation 528.04. Notwithstanding anything to the contrary, pursuant to FINRA Rule 5110(g)(8)(A), the Holder shall not be entitled to more than one demand registration right hereunder and the duration of the registration rights hereunder shall not exceed five years from the commencement of sales of the public offering.

3. Transfer.

3.1 General Restrictions. The registered Holder of this Purchase Warrant agrees by such Holder's acceptance hereof, that such Holder will not: (a) sell, transfer, assign, pledge or hypothecate this Purchase Warrant for a period of one hundred eighty (180) days following the Effective Date to anyone other than: (i) Holder or an underwriter, placement agent, or a selected dealer participating in the Offering, or (ii) a bona fide officer or partner of Holder or of any such underwriter, placement agent or selected dealer, in each case in accordance with FINRA Conduct Rule 5110(g)(1), or (b) for a period of one hundred eighty (180) days following the Effective Date cause this Purchase Warrant or the securities issuable hereunder to be the subject of any hedging, short sale, derivative, put or call transaction that would result in the effective economic disposition of this Purchase Warrant or the securities hereunder, except as provided for in FINRA Rule 5110(g)(2). After 180 days after the Effective Date, transfers to others may be made subject to compliance with or exemptions from applicable securities laws. In order to make any permitted assignment, the Holder must deliver to the Company the assignment form attached hereto duly executed and completed, together with the Purchase Warrant and payment of all transfer taxes, if any, payable in connection therewith. The Company shall within five (5) Business Days transfer this Purchase Warrant on the books of the Company and shall execute and deliver a new Purchase Warrant or Purchase Warrants of like tenor to the appropriate assignee(s) expressly evidencing the right to purchase the aggregate number of Shares purchasable hereunder or such portion of such number as shall be contemplated by any such assignment.

3.2 Restrictions Imposed by the Act. The securities evidenced by this Purchase Warrant shall not be transferred unless and until: (i) if required by applicable law, the Company has received the opinion of counsel for the Company that the securities may be transferred pursuant to an exemption from registration under the Act and applicable state securities laws, or (ii) a registration statement or a post-effective amendment to the Registration Statement relating to the offer and sale of such securities has been filed by the Company and declared effective by the U.S. Securities and Exchange Commission (the ***"Commission"***) and compliance with applicable state securities law has been established.

4. Piggyback Registration Rights.

4.1 Grant of Right. In the event that there is not an effective registration statement covering the Purchase Warrant or the underlying Shares, whenever the Company proposes to register any of its ordinary shares under the Act (other than (i) a registration effected solely to implement an employee benefit plan or a transaction to which Rule 145 of the Act is applicable, or (ii) a registration statement on Form S-4, S-8 or any successor form thereto or another form not available for registering the Shares issuable upon exercise of this Purchase Warrant for sale to the public, whether for its own account or for the account of one or more shareholders of the Company (a ***"Piggyback Registration"***), the Company shall give prompt written notice (in any event no later than ten (10) Business Days prior to the filing of such registration statement) to the Holder of the Company's intention to effect such a registration and, subject to the remaining provisions of this Section 4.1, shall include in such registration such number of Shares underlying this Purchase Warrant (the ***"Registrable Securities"***) that the Holders have (within ten (10) Business Days of the respective Holder's receipt of such notice) requested in writing (including such number) to be included within such registration. If a Piggyback Registration is an underwritten offering and the managing underwriter advises the Company that it has determined in good faith that marketing factors require a limit on the number of ordinary shares to be included in such registration, including all Shares issuable upon exercise of this Purchase Warrant (if the Holder has elected to include such shares in such Piggyback Registration) and all other ordinary shares proposed to be included in such underwritten offering, the Company shall include in such registration (i) first, the number of ordinary shares that the Company proposes to issue and sell pursuant to such underwritten offering and (ii) second, the number of ordinary shares, if any, requested to be included therein by the selling shareholders (including the Holder) allocated pro rata among all such persons on the basis of the number of ordinary shares then owned by each such person. If any Piggyback Registration is initiated as a primary underwritten offering on behalf of the Company, the Company shall select the investment banking firm or firms to act as the managing underwriter or underwriters in connection with such offering. Notwithstanding anything to the contrary, the obligations of the Company pursuant to this Section 4.1 shall terminate on the earlier of (i) the fifth anniversary of the Effective Date and (ii) the date that Rule 144 would allow the Holder to sell its Registrable Securities during any ninety (90) day period, and shall not be applicable so long as the Company's Registration Statement on Form F-1 (No. 333-[●] covering the Registrable Securities remains effective at such time. The duration of the piggyback registration right shall not exceed seven years from the commencement of sales of the public offering.

4.2 Indemnification. The Company shall indemnify the Holder(s) of the Registrable Securities to be sold pursuant to any registration statement hereunder and each person, if any, who controls such Holders within the meaning of Section 15 of the Act or Section 20 (a) of the Securities Exchange Act of 1934, as amended (***"Exchange Act"***), against all loss, claim, damage, expense or liability (including all reasonable attorneys' fees and other out-of-pocket expenses reasonably incurred in investigating, preparing or defending against any claim whatsoever) to which any of them may become subject under the Act, the Exchange Act or otherwise, arising from such registration statement but only to the same extent and with the same effect as the provisions pursuant to which the Company has agreed to indemnify Holder contained in the Underwriting Agreement between Holder and the Company, dated as of [●], 2022. The Holder(s) of the Registrable Securities to be sold pursuant to such registration statement, and their successors and assigns, shall severally, and not jointly, indemnify the Company, against all loss, claim, damage, expense or liability (including all reasonable attorneys' fees and other expenses reasonably incurred in investigating, preparing or defending against any claim whatsoever) to which they may become subject under the Act, the Exchange Act or otherwise, arising from information furnished by or on behalf of such Holders, or their successors or assigns, in writing, for specific inclusion in such registration statement to the same extent and with the same effect as the provisions contained in the Underwriting Agreement pursuant to which Holder has agreed to indemnify the Company.

4.3 Exercise of Purchase Warrants. Nothing contained in this Purchase Warrant shall be construed as requiring the Holder(s) to exercise their Purchase Warrants prior to or after the initial filing of any registration statement or the effectiveness thereof.

4.4 Documents Delivered to Holders. The Company shall deliver promptly to each Holder participating in the offering requesting the correspondence and memoranda described below, copies of all correspondence between the Commission and the Company, its counsel or auditors and all memoranda relating to discussions with the Commission or its staff with respect to the registration statement and permit each Holder and underwriter to do such investigation, upon reasonable advance notice, with respect to information contained in or omitted from the registration statement as it deems reasonably necessary to comply with applicable securities laws or rules of FINRA. Such investigation shall include access to books, records and properties and opportunities to discuss the business of the Company with its officers and independent auditors, all to such reasonable extent and at such reasonable times, during normal business hours, as any such Holder shall reasonably request.

4.5 Underwriting Agreement. The Holders shall be parties to any underwriting agreement relating to a Piggyback Registration. Such Holders shall not be required to make any representations or warranties to or agreements with the Company or the underwriters except as they may relate to such Holders, their Shares and the amount and nature of their ownership thereof and their intended methods of distribution.

4.6 Documents to be Delivered by Holder(s). Each of the Holder(s) participating in any of the foregoing offerings shall furnish to the Company a completed and executed questionnaire provided by the Company requesting information customarily sought of selling security holders.

4.7 Damages. Should the Company fail to comply with such provisions, the Holder(s) shall, in addition to any other legal or other relief available to the Holder(s), be entitled to obtain specific performance or other equitable (including injunctive) relief against the threatened breach of such provisions or the continuation of any such breach, without the necessity of proving actual damages and without the necessity of posting bond or other security.

5. New Purchase Warrants to be Issued.

5.1 Partial Exercise or Transfer. Subject to the restrictions in Section 3 hereof, this Purchase Warrant may be exercised or assigned in whole or in part. In the event of the exercise or assignment hereof in part only, upon surrender of this Purchase Warrant for cancellation, together with the duly executed exercise or assignment form and funds sufficient to pay any Exercise Price and/or transfer tax if exercised pursuant to Section 2.1 hereto, the Company shall cause to be delivered to the Holder without charge a new Purchase Warrant of like tenor to this Purchase Warrant in the name of the Holder evidencing the right of the Holder to purchase the number of Shares purchasable hereunder as to which this Purchase Warrant has not been exercised or assigned.

5.2 Lost Certificate. Upon receipt by the Company of evidence satisfactory to it of the loss, theft, destruction or mutilation of this Purchase Warrant and of reasonably satisfactory indemnification or the posting of a bond, determined in the sole discretion of the Company, the Company shall execute and deliver a new Purchase Warrant of like tenor and date. Any such new Purchase Warrant executed and delivered as a result of such loss, theft, mutilation or destruction shall constitute a substitute contractual obligation on the part of the Company.

6. Adjustments.

6.1 Adjustments to Exercise Price and Number of Securities. The Exercise Price and the number of Shares underlying the Purchase Warrant shall be subject to adjustment from time to time as hereinafter set forth:

6.1.1 Share Dividends; Split Ups. If, after the date hereof, and subject to the provisions of Section 6.3 below, the number of outstanding Shares is increased by a share dividend payable in Shares or by a split up of Shares or other similar event, then, on the effective day thereof, the number of Shares purchasable hereunder shall be increased in proportion to such increase in outstanding Shares, and the Exercise Price shall be proportionately decreased.

6.1.2 Aggregation of Shares. If, after the date hereof, and subject to the provisions of Section 6.3 below, the number of outstanding Shares is decreased by a consolidation, combination or reclassification of Shares or other similar event, then, on the effective date thereof, the number of Shares purchasable hereunder shall be decreased in proportion to such decrease in outstanding Shares, and the Exercise Price shall be proportionately increased.

6.1.3 Replacement of Securities upon Reorganization, Etc. In case of any reclassification or reorganization of the outstanding Shares other than a change covered by Section 6.1.1 or 6.1.2 hereof or that solely affects the par value of such Shares, or in the case of any share reconstruction or amalgamation or consolidation or merger of the Company with or into another corporation (other than a consolidation or share reconstruction or amalgamation or merger in which the Company is the continuing company and that does not result in any reclassification or reorganization of the outstanding Shares), or in the case of any sale or conveyance to another corporation or entity of the property of the Company as an entirety or substantially as an entirety in connection with which the Company is dissolved, the Holder of this Purchase Warrant shall have the right thereafter (until the expiration of the right of exercise of this Purchase Warrant) to receive upon the exercise hereof, for the same aggregate Exercise Price payable hereunder immediately prior to such event, the kind and amount of shares or other securities or property (including cash) receivable upon such reclassification, reorganization, share reconstruction or amalgamation, or consolidation, or upon a dissolution following any such sale or transfer, by a Holder of the number of Shares of the Company obtainable upon exercise of this Purchase Warrant immediately prior to such event; and if any reclassification also results in a change in Shares covered by Section 6.1.1 or 6.1.2, then such adjustment shall be made pursuant to Sections 6.1.1, 6.1.2 and this Section 6.1.3. The provisions of this Section 6.1.3 shall similarly apply to successive reclassifications, reorganizations, share reconstructions or amalgamations, or consolidations, sales or other transfers.

6.1.4 Changes in Form of Purchase Warrant. This form of Purchase Warrant need not be changed because of any change pursuant to this Section 6.1, and Purchase Warrants issued after such change may state the same Exercise Price and the same number of Shares as are stated in the Purchase Warrants initially issued pursuant to this Agreement. The acceptance by any Holder of the issuance of new Purchase Warrants reflecting a required or permissive change shall not be deemed to waive any rights to an adjustment occurring after the Commencement Date or the computation thereof.

6.2 Substitute Purchase Warrant. In case of any consolidation of the Company with, or share reconstruction or amalgamation or merger of the Company with or into, another corporation (other than a consolidation or share reconstruction or amalgamation or merger which does not result in any reclassification or change of the outstanding Shares), the corporation formed by such consolidation or share reconstruction or amalgamation shall execute and deliver to the Holder a supplemental Purchase Warrant providing that the holder of each Purchase Warrant then outstanding or to be outstanding shall have the right thereafter (until the stated expiration of such Purchase Warrant) to receive, upon exercise of such Purchase Warrant, the kind and amount of shares and other securities and property receivable upon such consolidation or share reconstruction or amalgamation, by a holder of the number of Shares of the Company for which such Purchase Warrant might have been exercised immediately prior to such consolidation, share reconstruction or amalgamation or merger, sale or transfer. Such supplemental Purchase Warrant shall provide for adjustments which shall be identical to the adjustments provided for in this Section 6. The above provision of this Section shall similarly apply to successive consolidations or share reconstructions or amalgamations or mergers.

6.3 Elimination of Fractional Interests. The Company shall not be required to issue certificates representing fractions of Shares upon the exercise of the Purchase Warrant, nor shall it be required to issue scrip or pay cash in lieu of any fractional interests, it being the intent of the parties that all fractional interests shall be eliminated by rounding any fraction up or down, as the case may be, to the nearest whole number of Shares or other securities, properties or rights.

7. Reservation. The Company shall at all times reserve and keep available out of its authorized Shares, solely for the purpose of issuance upon exercise of the Purchase Warrants, such number of Shares or other securities, properties or rights as shall be issuable upon the exercise thereof. The Company covenants and agrees that, upon exercise of the Purchase Warrants and payment of the Exercise Price therefor, in accordance with the terms hereby, all Shares and other securities issuable upon such exercise shall be duly and validly issued, fully paid and non-assessable and not subject to preemptive rights of any shareholder.

8. Certain Notice Requirements.

8.1 Holder's Right to Receive Notice. Nothing herein shall be construed as conferring upon the Holder the right to vote or consent or to receive notice as a shareholder for the election of directors or any other matter, or as having any rights whatsoever as a shareholder of the Company. If, however, at any time prior to the expiration of the Purchase Warrants and their exercise, any of the events described in Section 8.2 shall occur, then, in one or more of said events, the Company shall deliver to each Holder a copy of each notice relating to such events given to the other shareholders of the Company at the same time and in the same manner that such notice is given to the shareholders.

8.2 Events Requiring Notice. The Company shall be required to give the notice described in this Section 8 upon one or more of the following events: (i) if the Company shall take a record of the holders of its Shares for the purpose of entitling them to receive a dividend or distribution payable otherwise than in cash, or a cash dividend or distribution payable otherwise than out of retained earnings, as indicated by the accounting treatment of such dividend or distribution on the books of the Company, or (ii) the Company shall offer to all the holders of its Shares any additional shares of the Company or securities convertible into or exchangeable for shares of the Company, or any option, right or warrant to subscribe therefor.

8.3 Notice of Change in Exercise Price. The Company shall, within 3 Business Days after an event requiring a change in the Exercise Price pursuant to Section 6 hereof, send notice to the Holders of such event and change (***"Price Notice"***). The Price Notice shall describe the event causing the change and the method of calculating same.

8.4 Transmittal of Notices. All notices, requests, consents and other communications under this Purchase Warrant shall be in writing and delivered personally, by e-mail, or sent by a nationally recognized overnight courier service to following addresses or to such other address as the Holder or the Company may designate by notice to the other party and shall be deemed given and effective on the earliest of (i) the time of transmission, if such notice or communication is delivered via e-mail (with confirmation of receipt from the intended recipient by return e-mail or other written acknowledgment) at the e-mail address set forth in this Section prior to 5:30 p.m. (New York City time) on any date, (ii) the next Business Day after the time of transmission, if such notice or communication is delivered via e-mail (with confirmation of receipt from the intended recipient by return email or other written acknowledgment) at the e-mail address set forth in this Section on a day that is not a Business Day or later than 5:30 p.m. (New York City time) on any Business Day, (iii) the second Business Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given:

If to the Holder:

Aegis Capital Corp.,
810 Seventh Avenue, 18th Floor,
New York, NY 10019,
Attention: Global Equity Markets
E-mail: adesousa@aegiscap.com

with a copy (which shall not constitute notice) to:

Anthony W. Basch, Esq.
Kaufman & Canoles, P.C.
1021 E. Cary Street, Suite 1400
Two James Center
Richmond, VA 23219
E-mail: awbasch@kaufcan.com

If to the Company:

Rail Vision Ltd.
15 Ha'Tidhar St
Ra'anana, 4366517 Israel
Attention: Shahar Hania, Chief Executive Officer
E-mail: shahar@railvision.io

with a copy (which shall not constitute notice) to:

Gary Emmanuel, Esq.
McDermott Will & Emery LLP
One Vanderbilt Avenue
New York, NY 10017
E-mail: Gemmanuel@mwe.com

9. Miscellaneous.

9.1 Amendments. The Company and Holder may from time to time supplement or amend this Purchase Warrant without the approval of any of the Holders in order to cure any ambiguity, to correct or supplement any provision contained herein that may be defective or inconsistent with any other provisions herein, or to make any other provisions in regard to matters or questions arising hereunder that the Company and Holder may deem necessary or desirable and that the Company and Holder deem shall not adversely affect the interest of the Holders. All other modifications or amendments shall require the written consent of and be signed by (i) the Company and (ii) the Holder(s) of Purchase Warrants then-exercisable for at least a majority of the Shares then-exercisable pursuant to all then-outstanding Purchase Warrants.

9.2 Headings. The headings contained herein are for the sole purpose of convenience of reference, and shall not in any way limit or affect the meaning or interpretation of any of the terms or provisions of this Purchase Warrant.

9.3. Entire Agreement. This Purchase Warrant (together with the other agreements and documents being delivered pursuant to or in connection with this Purchase Warrant) constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings of the parties, oral and written, with respect to the subject matter hereof.

9.4 Binding Effect. This Purchase Warrant shall inure solely to the benefit of and shall be binding upon, the Holder and the Company and their permitted assignees, respective successors, legal representative and assigns, and no other person shall have or be construed to have any legal or equitable right, remedy or claim under or in respect of or by virtue of this Purchase Warrant or any provisions herein contained.

9.5 Governing Law; Submission to Jurisdiction; Trial by Jury. This Purchase Warrant shall be governed by and construed and enforced in accordance with the laws of the State of New York, without giving effect to conflict of laws principles thereof. The Company hereby agrees that any action, proceeding or claim against it arising out of, or relating in any way to this Purchase Warrant shall be brought and enforced in the courts located in the City of New York, County of New York, and State of New York, and irrevocably submits to such jurisdiction, which jurisdiction shall be exclusive. The Company hereby waives any objection to such exclusive jurisdiction and that such courts represent an inconvenient forum. Any process or summons to be served upon the Company may be served by transmitting a copy thereof by registered or certified mail, return receipt requested, postage prepaid, addressed to it at the address set forth in Section 8 hereof. Such mailing shall be deemed personal service and shall be legal and binding upon the Company in any action, proceeding or claim. The Company and the Holder agree that the prevailing party(ies) in any such action shall be entitled to recover from the other party(ies) all of its reasonable attorneys' fees and expenses relating to such action or proceeding and/or incurred in connection with the preparation therefor. The Company (on its behalf and, to the extent permitted by applicable law, on behalf of its shareholders and affiliates) and the Holder hereby irrevocably waive, 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.

9.6 Non-Waiver. The failure of the Company or the Holder to at any time enforce any of the provisions of this Purchase Warrant shall not be deemed or construed to be a waiver of any such provision, nor to in any way affect the validity of this Purchase Warrant or any provision hereof or the right of the Company or any Holder to thereafter enforce each and every provision of this Purchase Warrant. No waiver of any breach, non-compliance or non-fulfillment of any of the provisions of this Purchase Warrant shall be effective unless set forth in a written instrument executed by the party or parties against whom or which enforcement of such waiver is sought; and no waiver of any such breach, non-compliance or non-fulfillment shall be construed or deemed to be a waiver of any other or subsequent breach, non-compliance or non-fulfillment.

9.7 Exchange Agreement. As a condition of the Holder's receipt and acceptance of this Purchase Warrant, Holder agrees that, at any time prior to the complete exercise of this Purchase Warrant by Holder, if the Company and Holder enter into an agreement (***"Exchange Agreement"***) pursuant to which they agree that all outstanding Purchase Warrants will be exchanged for securities or cash or a combination of both, then Holder shall agree to such exchange and become a party to the Exchange Agreement.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Company has caused this Purchase Warrant to be signed by its duly authorized officer as of the date first written above.

Rail Vision Ltd.

By: /s/ Shahar Hania
Name: Shahar Hania
Title: Chief Executive Officer

[*Form to be used to exercise Purchase Warrant*]

Date: _____, 20___

The undersigned hereby elects irrevocably to exercise the Purchase Warrant for _____ ordinary shares, par value NIS 0.01 per share (the ***"Shares"***), of Rail Vision Ltd., an Israeli company (the ***"Company"***), and hereby makes payment of $____ (at the rate of $____ per Share) in payment of the Exercise Price pursuant thereto. Please issue the Shares as to which this Purchase Warrant is exercised in accordance with the instructions given below and, if applicable, a new Purchase Warrant representing the number of Shares for which this Purchase Warrant has not been exercised.

or

The undersigned hereby elects irrevocably to convert its right to purchase ___ Shares of the Company under the Purchase Warrant for _____ Shares, as determined in accordance with the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where,

X = The number of Shares to be issued to Holder;
Y = The number of Shares for which the Purchase Warrant is being exercised;
A = The fair market value of one Share which is equal to $_____; and
B = The Exercise Price which is equal to $_____ per share

The undersigned agrees and acknowledges that the calculation set forth above is subject to confirmation by the Company and any disagreement with respect to the calculation shall be resolved by the Company in its sole discretion.

Please issue the Shares as to which this Purchase Warrant is exercised in accordance with the instructions given below and, if applicable, a new Purchase Warrant representing the number of Shares for which this Purchase Warrant has not been converted.

Signature

Signature Guaranteed

INSTRUCTIONS FOR REGISTRATION OF SECURITIES

Name: _____
(Print in Block Letters)

Address: _____
_____

NOTICE: The signature to this form must correspond with the name as written upon the face of the Purchase Warrant without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank, other than a savings bank, or by a trust company or by a firm having membership on a registered national securities exchange.

[*Form to be used to assign Purchase Warrant*]

ASSIGNMENT

(To be executed by the registered Holder to effect a transfer of the within Purchase Warrant):

FOR VALUE RECEIVED, _____ does hereby sell, assign and transfer unto the right to purchase ordinary shares, par value NIS 0.01 per share, of Rail Vision Ltd., an Israeli company (the ***"Company"***), evidenced by the Purchase Warrant and does hereby authorize the Company to transfer such right on the books of the Company.

Dated: _____, 20__

Signature _____

Signature Guaranteed _____

NOTICE: The signature to this form must correspond with the name as written upon the face of the within Purchase Warrant without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank, other than a savings bank, or by a trust company or by a firm having membership on a registered national securities exchange.

Exhibit 4.2

FORM OF WARRANT AGENT AGREEMENT

This WARRANT AGENT AGREEMENT (this "Warrant Agreement") dated as of [●], 2022 (the "Issuance Date") is between Rail Vision Ltd., an Israeli company (the "Company"), and Vstock Transfer, LLC (the "Warrant Agent").

WHEREAS, pursuant to the terms of that certain Underwriting Agreement ("Underwriting Agreement"), dated [●], 2022, by and among the Company and Aegis Capital Corp., as the underwriter set forth therein (the "Underwriter"), the Company is engaged in a public offering of (i) up to [●] units (the "Closing Units"), with each Closing Unit consisting of one (1) share of ordinary shares, par value NIS 0.01 per share (the "Ordinary Share") of the Company, one (1) warrants (the "Warrants") of the Company to purchase one (1) share each of Ordinary Shares.

WHEREAS, the Company has filed with the Securities and Exchange Commission (the "Commission") a Registration Statement on Form F-1 (File No. 333-[●]) (as the same may be amended from time to time, the "Registration Statement"), for the registration under the Securities Act of 1933, as amended (the "Securities Act"), of the Closing Units, , ordinary shares, Warrants, and shares underlying Warrants, and such Registration Statement was declared effective on [●], 2022; and

WHEREAS, the Company desires the Warrant Agent to act on behalf of the Company, and the Warrant Agent is willing to so act, in accordance with the terms set forth in this Warrant Agreement in connection with the issuance, registration, transfer, exchange and exercise of the Warrants;

WHEREAS, the Company desires to provide for the provisions of the Warrants, the terms upon which they shall be issued and exercised, and the respective rights, limitation of rights, and immunities of the Company, the Warrant Agent, and the holders of the Warrants; and

WHEREAS, all acts and things have been done and performed which are necessary to make the Warrants the valid, binding and legal obligations of the Company, and to authorize the execution and delivery of this Warrant Agreement.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the parties hereto agree as follows:

1. Appointment of Warrant Agent. The Company hereby appoints the Warrant Agent to act as agent for the Company with respect to the Warrants, and the Warrant Agent hereby accepts such appointment and agrees to perform the same in accordance with the express terms and conditions set forth in this Warrant Agreement (and no implied terms or conditions).

2. Warrants.

2.1. Form of Warrants. The Warrants shall be registered securities and shall be evidenced by a global warrant ("Global Warrant") in the form of Exhibit Ato this Warrant Agreement, which shall be deposited on behalf of the Company with a custodian for The Depository Trust Company ("DTC") and registered in the name of Cede & Co., a nominee of DTC. The terms of the Global Warrant are incorporated herein by reference. If DTC subsequently ceases to make its book-entry settlement system available for the Warrants, the Company may instruct the Warrant Agent regarding making other arrangements for book-entry settlement. In the event that the Warrants are not eligible for, or it is no longer necessary to have the Warrants available in, book-entry form, the Company may instruct the Warrant Agent to provide written instructions to DTC to deliver to the Warrant Agent for cancellation the Global Warrant, and the Company shall instruct the Warrant Agent to deliver to DTC separate certificates evidencing Warrants ("Definitive Certificates" and, together with the Global Warrant, "Warrant Certificates") registered as requested through the DTC system.

2.2. Issuance and Registration of Warrants.

2.2.1. Warrant Register. The Warrant Agent shall maintain books ("Warrant Register") for the registration of original issuance and the registration of transfer of the Warrants.

2.2.2. Issuance of Warrants. Upon the initial issuance of the Warrants, the Warrant Agent shall issue the Global Warrant and deliver the Warrants in the DTC book-entry settlement system in accordance with written instructions delivered to the Warrant Agent by the Company. Ownership of security entitlements in the Warrants shall be shown on, and the transfer of such ownership shall be effected through, records maintained (i) by DTC and (ii) by institutions that have accounts with DTC (each, a "Participant").

2.2.3. Beneficial Owner; Holder. Prior to due presentment for registration of transfer of any Warrant, the Company and the Warrant Agent may deem and treat the person in whose name that Warrant shall be registered on the Warrant Register (the "Holder") as the absolute owner of such Warrant for purposes of any exercise thereof, and for all other purposes, and neither the Company nor the Warrant Agent shall be affected by any notice to the contrary. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Warrant Agent or any agent of the Company or the Warrant Agent from giving effect to any written certification, proxy or other authorization furnished by DTC governing the exercise of the rights of a holder of a beneficial interest in any Warrant. The rights of beneficial owners in a Warrant evidenced by the Global Warrant shall be exercised by the Holder or a Participant through the DTC system, except to the extent set forth herein or in the Global Warrant.

2.2.4. Delivery of Warrant Certificate. A Holder has the right to elect at any time or from time to time a Warrant Exchange (as defined below) pursuant to a Warrant Certificate Request Notice (as defined below). Upon written notice by a Holder to the Warrant Agent for the exchange of some or all of such Holder's Global Warrants for a Warrant Certificate evidencing the same number of Warrants, which request shall be in the form attached hereto as Exhibit B (a "Warrant Certificate Request Notice" and the date of delivery of such Warrant Certificate Request Notice by the Holder, the "Warrant Certificate Request Notice Date" and the deemed surrender upon delivery by the Holder of a number of Global Warrants for the same number of Warrants evidenced by a Warrant Certificate, a "Warrant Exchange"), the Warrant Agent shall promptly effect the Warrant Exchange and shall promptly issue and deliver to the Holder a Warrant Certificate for such number of Warrants in the name set forth in the Warrant Certificate Request Notice. Such Warrant Certificate shall be dated the date of issuance of the Warrant Certificate, shall include the initial exercise date of the Warrants, shall be executed by an authorized signatory of the Company and shall be reasonably acceptable in all respects to such Holder. In connection with a Warrant Exchange, the Company agrees to deliver, or to direct the Warrant Agent to deliver, the Warrant Certificate to the Holder within three (3) Business Days of the Warrant Certificate Request Notice pursuant to the delivery instructions in the Warrant Certificate Request Notice ("Warrant Certificate Delivery Date"). If the Company fails for any reason to deliver to the Holder the Warrant Certificate subject to the Warrant Certificate Request Notice by the Warrant Certificate Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each $1,000 of Ordinary Shares issuable upon exercise of the Warrants (the "Warrant Shares") evidenced by such Warrant Certificate (based on the VWAP (as defined in the Warrants) of the Ordinary Shares on the Warrant Certificate Request Notice Date), $10 per Business Day for each Business Day after such Warrant Certificate Delivery Date until such Warrant Certificate is delivered or, prior to delivery of such Warrant Certificate, the Holder rescinds such Warrant Exchange. The Company covenants and agrees that, upon the date of delivery of the Warrant Certificate Request Notice, the Holder shall be deemed to be the holder of the Warrant Certificate and, notwithstanding anything to the contrary set forth herein, the Warrant Certificate shall be deemed for all purposes to contain all of the terms and conditions of the Warrants evidenced by such Warrant Certificate and the terms of this Agreement.

2.2.5. Execution. The Warrant Certificates shall be executed on behalf of the Company by any authorized officer of the Company (an "Authorized Officer"), which need not be the same authorized signatory for all of the Warrant Certificates, either manually or by facsimile signature. The Warrant Certificates shall be countersigned by an authorized signatory of the Warrant Agent, which need not be the same signatory for all of the Warrant Certificates, and no Warrant Certificate shall be valid for any purpose unless so countersigned. In case any Authorized Officer of the Company that signed any of the Warrant Certificates ceases to be an Authorized Officer of the Company before countersignature by the Warrant Agent and issuance and delivery by the Company, such Warrant Certificates, nevertheless, may be countersigned by the Warrant Agent, issued and delivered with the same force and effect as though the person who signed such Warrant Certificates had not ceased to be such officer of the Company; and any Warrant Certificate may be signed on behalf of the Company by any person who, at the actual date of the execution of such Warrant Certificate, shall be an Authorized Officer of the Company authorized to sign such Warrant Certificate, although at the date of the execution of this Warrant Agreement any such person was not such an Authorized Officer.

2.2.6. Registration of Transfer. At any time at or prior to the Expiration Date (as defined below), a transfer of any Warrants may be registered and any Warrant Certificate or Warrant Certificates may be split up, combined or exchanged for another Warrant Certificate or Warrant Certificates evidencing the same number of Warrants as the Warrant Certificate or Warrant Certificates surrendered. Any Holder desiring to register the transfer of Warrants or to split up, combine or exchange any Warrant Certificate shall make such request in writing delivered to the Warrant Agent, and shall surrender to the Warrant Agent the Warrant Certificate or Warrant Certificates evidencing the Warrants the transfer of which is to be registered or that is or are to be split up, combined or exchanged and, in the case of registration of transfer, shall provide a signature guarantee. Thereupon, the Warrant Agent shall countersign and deliver to the person entitled thereto a Warrant Certificate or Warrant Certificates, as the case may be, as so requested. The Company and the Warrant Agent may require payment, by the Holder requesting a registration of transfer of Warrants or a split-up, combination or exchange of a Warrant Certificate (but, for purposes of clarity, not upon the exercise of the Warrants and issuance of Warrant Shares to the Holder), of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with such registration of transfer, split-up, combination or exchange, together with reimbursement to the Company and the Warrant Agent of all reasonable expenses incidental thereto.

2.2.7. Loss, Theft and Mutilation of Warrant Certificates. Upon receipt by the Company and the Warrant Agent of evidence reasonably satisfactory to them of the loss, theft, destruction or mutilation of a Warrant Certificate, and, in case of loss, theft or destruction, of indemnity or security in customary form and amount, and reimbursement to the Company and the Warrant Agent of all reasonable expenses incidental thereto, and upon surrender to the Warrant Agent and cancellation of the Warrant Certificate if mutilated, the Warrant Agent shall, on behalf of the Company, countersign and deliver a new Warrant Certificate of like tenor to the Holder in lieu of the Warrant Certificate so lost, stolen, destroyed or mutilated. The Warrant Agent may charge the Holder an administrative fee for processing the replacement of lost Warrant Certificates,. The Warrant Agent may receive compensation from the surety companies or surety agents for administrative services provided to them.

2.2.8. Proxies. The Holder of a Warrant may grant proxies or otherwise authorize any person, including the Participants and beneficial holders that may own interests through the Participants, to take any action that a Holder is entitled to take under this Agreement or the Warrants; provided, however, that at all times that Warrants are evidenced by a Global Warrant, exercise of those Warrants shall be effected on their behalf by Participants through DTC in accordance the procedures administered by DTC.

3. Terms and Exercise of Warrants.

3.1. Exercise Price. Each Warrant shall entitle the Holder, subject to the provisions of the applicable Warrant Certificate and of this Warrant Agreement, to purchase from the Company the number of Ordinary Shares stated therein, at the price of $[●] with respect to the Warrants, subject to the subsequent adjustments provided in the Global Warrant. The term "Exercise Price" as used in this Warrant Agreement refers to the price per share at which the Ordinary Shares may be purchased at the time a Warrant is exercised.

3.2. Duration of Warrants. A Warrant may be exercised only during the period ("Exercise Period") commencing on the date of issuance and ending on the Termination Date. For purposes of this Warrant Agreement, the "Termination Date**"** shall have the meaning set forth in the Global Warrant. Each Warrant not exercised on or before the Termination Date shall become void, and all rights thereunder and all rights in respect thereof under this Agreement shall cease at the close of business on the Termination Date.

3.3. Exercise of Warrants.

3.3.1. Exercise. Subject to the provisions of the Global Warrant, a Holder (or a Participant or a designee of a Participant acting on behalf of a Holder) may exercise Warrants by delivering to the Warrant Agent, not later than 5:00 P.M., Eastern Standard Time, on any business day during the Exercise Period a notice of exercise of the Warrants to be exercised (i) in the form attached to the Global Warrant or (ii) via an electronic warrant exercise through the DTC system (each, an "Election to Purchase"). All other requirements for the exercise of a Warrant shall be as set forth in the Warrant.

3.3.2. The Warrant Agent shall, by 5:00 p.m., New York City time, on the Trading Day following the Exercise Date of any Warrant, advise the Company, the transfer agent and registrar for the Company's Ordinary Shares, in respect of (i) the number of Warrant Shares indicated on the Notice of Exercise as issuable upon such exercise with respect to such exercised Warrants, (ii) the instructions of the Holder or Participant, as the case may be, provided to the Warrant Agent with respect to the delivery of the Warrant Shares and the number of Warrants that remain outstanding after such exercise and (iii) such other information as the Company or such transfer agent and registrar shall reasonably request. The Company shall issue the Warrant Shares in compliance with the terms of the Warrant.

3.3.3. Valid Issuance. All Warrant Shares issued by the Company upon the proper exercise of a Warrant in conformity with this Warrant Agreement shall be validly issued, fully paid and non-assessable.

3.3.4. No Fractional Exercise. Notwithstanding any provision contained in this Warrant Agreement to the contrary, no fractional shares or scrip representing fractional shares shall be issued upon the exercise of the Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

3.3.5. No Transfer Taxes. The Company shall not be required to pay any stamp or other tax or governmental charge required to be paid in connection with any transfer involved in the issue of the Warrant Shares upon the exercise of Warrants; and in the event that any such transfer is involved, the Company shall not be required to issue or deliver any Warrant Shares until such tax or other charge shall have been paid or it has been established to the Company's satisfaction that no such tax or other charge is due.

3.3.6. Date of Issuance. The Company will treat an exercising Holder as a beneficial owner of the Warrant Shares as of the Exercise Date, and for purposes of Regulation SHO, a holder whose interest in this Warrant is a beneficial interest in certificate(s) representing this Warrant held in book-entry form through DTC shall be deemed to have exercised its interest in this Warrant upon instructing its broker that is a DTC participant to exercise its interest in this Warrant, except that, if the Exercise Date is a date when the share transfer books of the Company are closed, such person shall be deemed to have become the holder of such shares at the open of business on the next succeeding date on which the share transfer books are open.

4. Adjustments. Upon every adjustment of the Exercise Price or the number of Warrant Shares issuable upon exercise of a Warrant, the Company shall give written notice thereof to the Warrant Agent, which notice shall state the Exercise Price resulting from such adjustment and the increase or decrease, if any, in the number of Warrant Shares purchasable at such price upon the exercise of a Warrant, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based. Upon the occurrence of any event specified in Section 3 of the Warrant, then, in any such event, the Company shall give written notice to the Warrant Agent. Failure to give such notice, or any defect therein, shall not affect the legality or validity of such event. The Warrant Agent shall be entitled to rely conclusively on, and shall be fully protected in relying on, any certificate, notice or instructions provided by the Company with respect to any adjustment of the Exercise Price or the number of shares issuable upon exercise of a Warrant, or any related matter, and the Warrant Agent shall not be liable for any action taken, suffered or omitted to be taken by it in accordance with any such certificate, notice or instructions or pursuant to this Warrant Agreement. The Warrant Agent shall not be deemed to have knowledge of any such adjustment unless and until it shall have received written notice thereof from the Company.

5. Restrictive Legends; Fractional Warrants. In the event that a Warrant Certificate surrendered for transfer bears a restrictive legend, the Warrant Agent shall not register that transfer until the Warrant Agent has received an opinion of counsel for the Company stating that such transfer may be made and indicating whether the Warrants must also bear a restrictive legend upon that transfer. The Warrant Agent shall not be required to effect any registration of transfer or exchange which will result in the transfer of or delivery of a Warrant Certificate for a fraction of a Warrant.

6. Other Provisions Relating to Rights of Holders of Warrants.

6.1. No Rights as Shareholder. Except as otherwise specifically provided herein, a Holder, solely in its capacity as a holder of Warrants, shall not be entitled to vote or receive dividends or be deemed the holder of share capital of the Company for any purpose, nor shall anything contained in this Warrant Agreement be construed to confer upon a Holder, solely in its capacity as the registered holder of Warrants, any of the rights of a shareholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any reorganization, issue of shares of the Company, reclassification of share capital, consolidation, merger, conveyance or otherwise), receive notice of meetings, receive dividends or subscription rights or rights to participate in new issues of shares, or otherwise, prior to the issuance to the Holder of the Warrant Shares which it is then entitled to receive upon the due exercise of Warrants.

6.2. Reservation of Ordinary Shares. The Company shall at all times reserve and keep available a number of its authorized but unissued Ordinary Shares that will be sufficient to permit the exercise in full of all outstanding Warrants issued pursuant to this Warrant Agreement.

7. Concerning the Warrant Agent and Other Matters.

7.1. Any instructions given to the Warrant Agent orally, as permitted by any provision of this Warrant Agreement, shall be confirmed in writing by the Company as soon as practicable. The Warrant Agent shall not be liable or responsible and shall be fully authorized and protected for acting, or failing to act, in accordance with any oral instructions which do not conform with the written confirmation received in accordance with this Section 7.1.

7.2. (a) Whether or not any Warrants are exercised, for the Warrant Agent's services as agent for the Company hereunder, the Company shall pay to the Warrant Agent such fees as may be separately agreed between the Company and Warrant Agent and the Warrant Agent's out of pocket expenses in connection with this Warrant Agreement, including, without limitation, the fees and expenses of the Warrant Agent's counsel. While the Warrant Agent endeavors to maintain out-of-pocket charges (both internal and external) at competitive rates, these charges may not reflect actual out-of-pocket costs, and may include handling charges to cover internal processing and use of the Warrant Agent's billing systems. (b) All amounts owed by the Company to the Warrant Agent under this Warrant Agreement are due within 30 days of the invoice date. Delinquent payments are subject to a late payment charge of one and one-half percent (1.5%) per month commencing 45 days from the invoice date. The Company agrees to reimburse the Warrant Agent for any attorney's fees and any other costs associated with collecting delinquent payments. (c) No provision of this Warrant Agreement shall require Warrant Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under this Warrant Agreement or in the exercise of its rights.

7.3. As agent for the Company hereunder the Warrant Agent: (a) shall have no duties or obligations other than those specifically set forth herein or as may subsequently be agreed to in writing by the Warrant Agent and the Company; (b) shall be regarded as making no representations and having no responsibilities as to the validity, sufficiency, value, or genuineness of the Warrants or any Warrant Shares; (c) shall not be obligated to take any legal action hereunder; if, however, the Warrant Agent determines to take any legal action hereunder, and where the taking of such action might, in its judgment, subject or expose it to any expense or liability it shall not be required to act unless it has been furnished with an indemnity reasonably satisfactory to it; (d) may rely on and shall be fully authorized and protected in acting or failing to act upon any certificate, instrument, opinion, notice, letter, telegram, telex, facsimile transmission or other document or security delivered to the Warrant Agent and believed by it to be genuine and to have been signed by the proper party or parties; (e) shall not be liable or responsible for any recital or statement contained in the Registration Statement or any other documents relating thereto; (f) shall not be liable or responsible for any failure on the part of the Company to comply with any of its covenants and obligations relating to the Warrants, including without limitation obligations under applicable securities laws; (g) may rely on and shall be fully authorized and protected in acting or failing to act upon the written, telephonic or oral instructions with respect to any matter relating to its duties as Warrant Agent covered by this Warrant Agreement (or supplementing or qualifying any such actions) of officers of the Company, and is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from the Company or counsel to the Company, and may apply to the Company, for advice or instructions in connection with the Warrant Agent's duties hereunder, and the Warrant Agent shall not be liable for any delay in acting while waiting for those instructions; any applications by the Warrant Agent for written instructions from the Company may, at the option of the Agent, set forth in writing any action proposed to be taken or omitted by the Warrant Agent under this Warrant Agreement and the date on or after which such action shall be taken or such omission shall be effective; the Warrant Agent shall not be liable for any action taken by, or omission of, the Warrant Agent in accordance with a proposal included in such application on or after the date specified in such application (which date shall not be less than five business days after the date such application is sent to the Company, unless the Company shall have consented in writing to any earlier date) unless prior to taking any such action, the Warrant Agent shall have received written instructions in response to such application specifying the action to be taken or omitted; (h) may consult with counsel satisfactory to the Warrant Agent, including its in-house counsel, and the advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted by it hereunder in good faith and in accordance with the advice of such counsel; (i) may perform any of its duties hereunder either directly or by or through nominees, correspondents, designees, or subagents, and it shall not be liable or responsible for any misconduct or negligence on the part of any nominee, correspondent, designee, or subagent appointed with reasonable care by it in connection with this Warrant Agreement; (j) is not authorized, and shall have no obligation, to pay any brokers, dealers, or soliciting fees to any person; and (k) shall not be required hereunder to comply with the laws or regulations of any country other than the United States of America or any political subdivision thereof.

7.4. (a) In the absence of gross negligence or willful or illegal misconduct on its part, the Warrant Agent shall not be liable for any action taken, suffered, or omitted by it or for any error of judgment made by it in the performance of its duties under this Warrant Agreement. Anything in this Warrant Agreement to the contrary notwithstanding, in no event shall Warrant Agent be liable for special, indirect, incidental, consequential or punitive losses or damages of any kind whatsoever (including but not limited to lost profits, liquidated damages or buy-in claims), even if the Warrant Agent has been advised of the possibility of such losses or damages and regardless of the form of action. Any liability of the Warrant Agent will be limited in the aggregate to the amount of fees paid by the Company hereunder. The Warrant Agent shall not be liable for any failures, delays or losses, arising directly or indirectly out of conditions beyond its reasonable control including, but not limited to, acts of government, exchange or market ruling, suspension of trading, work stoppages or labor disputes, fires, civil disobedience, riots, rebellions, storms, electrical or mechanical failure, computer hardware or software failure, communications facilities failures including telephone failure, war, terrorism, insurrection, earthquakes, floods, acts of God or similar occurrences. (b) In the event any question or dispute arises with respect to the proper interpretation of the Warrants or the Warrant Agent's duties under this Warrant Agreement or the rights of the Company or of any Holder, the Warrant Agent shall not be required to act and shall not be held liable or responsible for its refusal to act until the question or dispute has been judicially settled (and, if appropriate, it may file a suit in interpleader or for a declaratory judgment for such purpose) by final judgment rendered by a court of competent jurisdiction, binding on all persons interested in the matter which is no longer subject to review or appeal, or settled by a written document in form and substance satisfactory to Warrant Agent and executed by the Company and each such Holder. In addition, the Warrant Agent may require for such purpose, but shall not be obligated to require, the execution of such written settlement by all the Holders and all other persons that may have an interest in the settlement.

7.5. The Company covenants to indemnify the Warrant Agent and hold it harmless from and against any loss, liability, claim or expense ("Loss") arising out of or in connection with the Warrant Agent's duties under this Warrant Agreement, including the costs and expenses of defending itself against any Loss, unless such Loss shall have been determined by a court of competent jurisdiction to be a result of the Warrant Agent's gross negligence or willful misconduct.

7.6. Unless terminated earlier by the parties hereto, this Agreement shall terminate 90 days after the earlier of the Expiration Date and the date on which no Warrants remain outstanding (the "Termination Date"). On the business day following the Termination Date, the Agent shall deliver to the Company any entitlements, if any, held by the Warrant Agent under this Warrant Agreement. The Agent's right to be reimbursed for fees, charges and out-of-pocket expenses as provided in this Section 8 shall survive the termination of this Warrant Agreement.

7.7. If any provision of this Warrant Agreement shall be held illegal, invalid, or unenforceable by any court, this Warrant Agreement shall be construed and enforced as if such provision had not been contained herein and shall be deemed an Agreement among the parties to it to the full extent permitted by applicable law.

7.8. The Company represents and warrants that: (a) it is duly incorporated and validly existing under the laws of its jurisdiction of incorporation; (b) the offer and sale of the Warrants and the execution, delivery and performance of all transactions contemplated thereby (including this Warrant Agreement) have been duly authorized by all necessary corporate action and will not result in a breach of or constitute a default under the articles of association, bylaws or any similar document of the Company or any indenture, agreement or instrument to which it is a party or is bound; (c) this Warrant Agreement has been duly executed and delivered by the Company and constitutes the legal, valid, binding and enforceable obligation of the Company; (d) the Warrants will comply in all material respects with all applicable requirements of law; and (e) to the best of its knowledge, there is no litigation pending or threatened as of the date hereof in connection with the offering of the Warrants.

7.9. In the event of inconsistency between this Warrant Agreement and the descriptions in the Warrant, as it may from time to time be amended, the terms of this Warrant shall control.

7.10. Set forth in Exhibit C hereto is a list of the names and specimen signatures of the persons authorized to act for the Company under this Warrant Agreement (the "Authorized Representatives"). The Company shall, from time to time, certify to you the names and signatures of any other persons authorized to act for the Company under this Warrant Agreement.

7.11. Except as expressly set forth elsewhere in this Warrant Agreement, all notices, instructions and communications under this Agreement shall be in writing, shall be effective upon receipt and shall be addressed, if to the Company, to its address set forth beneath its signature to this Agreement, or, if to the Warrant Agent, to [●], or to such other address of which a party hereto has notified the other party.

7.12. (a) This Warrant Agreement shall be governed by and construed in accordance with the laws of the State of New York. All actions and proceedings relating to or arising from, directly or indirectly, this Warrant Agreement may be litigated in courts located within the Borough of Manhattan in the City and State of New York. The Company hereby submits to the personal jurisdiction of such courts and consents that any service of process may be made by certified or registered mail, return receipt requested, directed to the Company at its address last specified for notices hereunder. Each of the parties hereto hereby waives the right to a trial by jury in any action or proceeding arising out of or relating to this Warrant Agreement. (b) This Warrant Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto. This Warrant Agreement may not be assigned, or otherwise transferred, in whole or in part, by either party without the prior written consent of the other party, which the other party will not unreasonably withhold, condition or delay; except that (i) consent is not required for an assignment or delegation of duties by Warrant Agent to any affiliate of Warrant Agent and (ii) any reorganization, merger, consolidation, sale of assets or other form of business combination by Warrant Agent or the Company shall not be deemed to constitute an assignment of this Warrant Agreement. (c) No provision of this Warrant Agreement may be amended, modified or waived, except in a written document signed by both parties. The Company and the Warrant Agent may amend or supplement this Warrant Agreement without the consent of any Holder for the purpose of curing any ambiguity, or curing, correcting or supplementing any defective provision contained herein or adding or changing any other provisions with respect to matters or questions arising under this Agreement as the parties may deem necessary or desirable and that the parties determine, in good faith, shall not adversely affect the interest of the Holders. All other amendments and supplements shall require the vote or written consent of Holders of at least 50.1% of the then outstanding Warrants, provided that adjustments may be made to the Warrant terms and rights in accordance with Section 4 without the consent of the Holders.

7.13. Payment of Taxes. The Company will from time to time promptly pay all taxes and charges that may be imposed upon the Company or the Warrant Agent in respect of the issuance or delivery of Warrant Shares upon the exercise of Warrants, but the Company may require the Holders to pay any transfer taxes in respect of the Warrants or such shares. The Warrant Agent may refrain from registering any transfer of Warrants or any delivery of any Warrant Shares unless or until the persons requesting the registration or issuance shall have paid to the Warrant Agent for the account of the Company the amount of such tax or charge, if any, or shall have established to the reasonable satisfaction of the Company and the Warrant Agent that such tax or charge, if any, has been paid.

7.14. Resignation of Warrant Agent.

7.14.1. Appointment of Successor Warrant Agent. The Warrant Agent, or any successor to it hereafter appointed, may resign its duties and be discharged from all further duties and liabilities hereunder after giving thirty (30) days' notice in writing to the Company, or such shorter period of time agreed to by the Company. The Company may terminate the services of the Warrant Agent, or any successor Warrant Agent, after giving thirty (30) days' notice in writing to the Warrant Agent or successor Warrant Agent, or such shorter period of time as agreed. If the office of the Warrant Agent becomes vacant by resignation, termination or incapacity to act or otherwise, the Company shall appoint in writing a successor Warrant Agent in place of the Warrant Agent. If the Company shall fail to make such appointment within a period of 30 days after it has been notified in writing of such resignation or incapacity by the Warrant Agent, then the Warrant Agent or any Holder may apply to any court of competent jurisdiction for the appointment of a successor Warrant Agent at the Company's cost. Pending appointment of a successor to such Warrant Agent, either by the Company or by such a court, the duties of the Warrant Agent shall be carried out by the Company. Any successor Warrant Agent (but not including the initial Warrant Agent), whether appointed by the Company or by such court, shall be a person organized and existing under the laws of any state of the United States of America, in good standing, and authorized under such laws to exercise corporate trust powers and subject to supervision or examination by federal or state authority. After appointment, any successor Warrant Agent shall be vested with all the authority, powers, rights, immunities, duties, and obligations of its predecessor Warrant Agent with like effect as if originally named as Warrant Agent hereunder, without any further act or deed, and except for executing and delivering documents as provided in the sentence that follows, the predecessor Warrant Agent shall have no further duties, obligations, responsibilities or liabilities hereunder, but shall be entitled to all rights that survive the termination of this Warrant Agreement and the resignation or removal of the Warrant Agent, including but not limited to its right to indemnity hereunder. If for any reason it becomes necessary or appropriate or at the request of the Company, the predecessor Warrant Agent shall execute and deliver, at the expense of the Company, an instrument transferring to such successor Warrant Agent all the authority, powers, and rights of such predecessor Warrant Agent hereunder; and upon request of any successor Warrant Agent the Company shall make, execute, acknowledge, and deliver any and all instruments in writing for more fully and effectually vesting in and confirming to such successor Warrant Agent all such authority, powers, rights, immunities, duties, and obligations.

7.14.2. Notice of Successor Warrant Agent. In the event a successor Warrant Agent shall be appointed, the Company shall give notice thereof to the predecessor Warrant Agent and the transfer agent for the Ordinary Shares not later than the effective date of any such appointment.

7.14.3. Merger or Consolidation of Warrant Agent. Any person into which the Warrant Agent may be merged or converted or with which it may be consolidated or any person resulting from any merger, conversion or consolidation to which the Warrant Agent shall be a party or any person succeeding to the shareowner services business of the Warrant Agent or any successor Warrant Agent shall be the successor Warrant Agent under this Warrant Agreement, without any further act or deed. For purposes of this Warrant Agreement, "person" shall mean any individual, firm, corporation, partnership, limited liability company, joint venture, association, trust or other entity, and shall include any successor (by merger or otherwise) thereof or thereto.

8. Miscellaneous Provisions.

8.1. Persons Having Rights under this Warrant Agreement. Nothing in this Warrant Agreement expressed and nothing that may be implied from any of the provisions hereof is intended, or shall be construed, to confer upon, or give to, any person or corporation other than the parties hereto any right, remedy, or claim under or by reason of this Warrant Agreement or of any covenant, condition, stipulation, promise, or agreement hereof.

8.2. Examination of the Warrant Agreement. A copy of this Warrant Agreement shall be available at all reasonable times at the office of the Warrant Agent designated for such purpose for inspection by any Holder. Prior to such inspection, the Warrant Agent may require any such holder to provide reasonable evidence of its interest in the Warrants.

8.3. Counterparts. This Warrant Agreement may be executed in any number of original, facsimile or electronic counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

8.4. Effect of Headings. The Section headings herein are for convenience only and are not part of this Warrant Agreement and shall not affect the interpretation thereof.

9. Certain Definitions. As used herein, the following terms shall have the following meanings:

(a) "Trading Day" means any day on which the Ordinary Shares are traded on the Trading Market, or, if the Trading Market is not the principal trading market for the Ordinary Shares, then on the principal securities exchange or securities market in the United States on which the Ordinary Shares are then traded, provided that "Trading Day" shall not include any day on which the Ordinary Shares are scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Ordinary Shares are suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00 P.M., Eastern Standard Time).

(b) "Trading Market" means NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market or the New York Stock Exchange.

[*Signature Page Follows*]

IN WITNESS WHEREOF, this Warrant Agent Agreement has been duly executed by the parties hereto as of the day and year first above written.

RAIL VISION LTD.

By: _____
Name: _____
Title: _____

VSTOCK TRANSFER, LLC

By: _____
Name: _____
Title: _____

EXHIBIT A

GLOBAL WARRANT – WARRANT

EXHIBIT B

WARRANT CERTIFICATE REQUEST NOTICE

To: _____ as Warrant Agent for _____ (the "Company")

The undersigned Holder of Ordinary Shares Purchase Warrants ("Warrants") in the form of Global Warrants issued by the Company hereby elects to receive a Warrant Certificate evidencing the Warrants held by the Holder as specified below:

1. Name of Holder of Warrants in form of Global Warrants: _____

2. Name of Holder in Warrant Certificate (if different from name of Holder of Warrants in form of Global Warrants): _____

3. Number of Warrants in name of Holder in form of Global Warrants: _____

4. Number of Warrants for which Warrant Certificate shall be issued: _____

5. Number of Warrants in name of Holder in form of Global Warrants after issuance of Warrant Certificate, if any: _____

6. Warrant Certificate shall be delivered to the following address:

_____

_____

_____

_____

The undersigned hereby acknowledges and agrees that, in connection with this Warrant Exchange and the issuance of the Warrant Certificate, the Holder is deemed to have surrendered the number of Warrants in form of Global Warrants in the name of the Holder equal to the number of Warrants evidenced by the Warrant Certificate.

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

EXHIBIT C

AUTHORIZED REPRESENTATIVES

Name	Title	Signature
Shahar Hania	Chief Executive Officer	
Ofer Naveh	Chief Financial Officer	

Exhibit 4.3

ORDINARY SHARES PURCHASE WARRANT

RAIL VISION LTD.

Warrant Shares: _____ Initial Exercise Date: **[*]**

Issue Date: **[*]**

CUSIP: **[*]**

ISIN: **[*]**

THIS ORDINARY SHARES PURCHASE WARRANT (the "Warrant") certifies that, for value received, [*], or its assigns (the "Holder," provided that a "Holder" shall include, if the Warrants are held in "street name," a Participant, any designee appointed by such Participant and each "beneficial owner" of such Warrants) is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the "Initial Exercise Date") and on or prior to 5:00 p.m. (New York City time) on **[*]**, 2027 (the "Termination Date") but not thereafter, to subscribe for and purchase from RAIL VISION LTD., an Israeli company (the "Company"), up to **[*]** shares of Ordinary Shares (as subject to adjustment hereunder, the "Warrant Shares"). The purchase price of one share of Ordinary Shares under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b). This Warrant shall initially be issued and maintained in the form of a security held in book-entry form and the Depository Trust Company or its nominee ("DTC") shall initially be the sole registered holder of this Warrant, subject to a Holder's right to elect to receive a Warrant in certificated form pursuant to the terms of the Warrant Agency Agreement, in which case this sentence shall not apply.

Section 1. Definitions. In addition to the terms defined elsewhere in this Warrant, the following terms have the meanings indicated in this Section 1:

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"Bid Price" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Ordinary Shares are then listed or quoted on a Trading Market, the bid price of the Ordinary Shares for the time in question (or the nearest preceding date) on the Trading Market on which the Ordinary Shares are then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average per share price of the Ordinary Shares for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Ordinary Shares are not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Ordinary Shares are then reported on the OTC Pink Market (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Ordinary Shares so reported, or (d) in all other cases, the fair market value of a share of Ordinary Shares as determined by an independent appraiser selected in good faith by the Holders of a majority in interest of the Warrants then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

"Business Day" means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York are authorized or required by law to remain closed; provided, however, for clarification, commercial banks shall not be deemed to be authorized or required by law to remain closed due to "stay at home", "shelter-in-place", "non-essential employee" or any other similar orders or restrictions or the closure of any physical branch locations at the direction of any governmental authority so long as the electronic funds transfer systems (including for wire transfers) of commercial banks in The City of New York generally are open for use by customers on such day.

"Commission" means the United States Securities and Exchange Commission.

"Ordinary Shares" means the ordinary shares of the Company, with par value NIS 0.01 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

"Ordinary Share Equivalents" means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Ordinary Shares, including, without limitation, any debt, preferred shares, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Ordinary Shares.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint shares company, government (or an agency or subdivision thereof) or other entity of any kind.

"Registration Statement" means the Company's registration statement on Form F-1 (File No. 333-**[*]**), as amended.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Trading Day" means a day on which the Ordinary Shares are traded on a Trading Market.

"Trading Market" means any of the following markets or exchanges on which the Ordinary Shares are listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange, OTCQB or OTCQX (or any successors to any of the foregoing).

"Transfer Agent" means **[*]**, the current transfer agent of the Company, with a mailing address of **[*]**and a phone number of **[*]**, and any successor transfer agent of the Company.

"Underwriting Agreement" means the underwriting agreement, dated as of [*], 2022 among the Company and Aegis Capital Corp. as underwriter named therein, as amended, modified or supplemented from time to time in accordance with its terms.

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Ordinary Shares are then listed or quoted on a Trading Market, the daily volume weighted average price per share of the Ordinary Shares for such date (or the nearest preceding date) on the Trading Market on which the Ordinary Shares are then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Ordinary Shares for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Ordinary Shares are not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Ordinary Shares are then reported on the OTC Pink Market (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Ordinary Shares so reported, or (d) in all other cases, the fair market value of a share of Ordinary Shares as determined by an independent appraiser selected in good faith by the holders of a majority in interest of the Warrants then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

"Warrant Agency Agreement" means that certain warrant agency agreement, dated on or about the Initial Exercise Date, between the Company and the Warrant Agent.

"Warrant Agent" means the Transfer Agent and any successor warrant agent of the Company.

"Warrants" means this Warrant and other Ordinary Shares purchase warrants issued by the Company pursuant to the Registration Statement.

Section 2. Exercise.

a) Exercise of Warrant. Subject to the provisions of Section 2(e) herein, exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date, by delivery to the Company of a duly executed PDF copy submitted by e-mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto as Annex A (the "Notice of Exercise") , and, unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise, delivery of the aggregate Exercise Price of the Warrant Shares specified in the applicable Notice of Exercise as specified in this Section 2(a). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(d)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the Warrant Shares specified in the applicable Notice of Exercise by wire transfer of immediately available funds or cashier's check drawn on a United States bank unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date on which the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Trading Day of receipt of such notice. Notwithstanding the foregoing, with respect to any Notice(s) of Exercise delivered on or prior to 4:00 p.m. (New York City time) on the Trading Date prior to the Initial Exercise Date, which may be delivered at any time after the time of execution of the Underwriting Agreement, the Company agrees to deliver the Warrant Shares subject to such notice(s) by 4:00 p.m. (New York City time) on the Initial Exercise Date and the Initial Exercise Date shall be the Warrant Share Delivery Date for purposes hereunder, provided that payment of the aggregate Exercise Price (other than in the case of a cashless exercise) is received by such Warrant Share Delivery Date. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

Notwithstanding the foregoing in this Section 2(a), a holder whose interest in this Warrant is a beneficial interest in certificate(s) representing this Warrant held in book-entry form through DTC (or another established clearing corporation performing similar functions), shall effect exercises made pursuant to this Section 2(a) by delivering to DTC (or such other clearing corporation, as applicable) the appropriate instruction form for exercise, complying with the procedures to effect exercise that are required by DTC (or such other clearing corporation, as applicable), subject to a Holder's right to elect to receive a Warrant in certificated form pursuant to the terms of the Warrant Agency Agreement, in which case this sentence shall not apply.

b) Exercise Price. The exercise price per share of Ordinary Shares under this Warrant shall be $[*], subject to adjustment hereunder (the "Exercise Price").

c) Cashless Exercise. The Company shall use its best efforts to cause the Registration Statement to remain effective with a current prospectus and to maintain the registration of the Ordinary Shares and of the Warrants under the Exchange Act. If at any time after the Initial Exercise Date, there is no effective registration statement registering, or no current prospectus available for the issuance of, the Warrant Shares to the Holder, then this Warrant may also be exercised, in whole or in part, at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive a number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

(A) = as applicable: (i) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise if such Notice of Exercise is (1) both executed and delivered pursuant to Section 2(a) hereof on a day that is not a Trading Day or (2) both executed and delivered pursuant to Section 2(a) hereof on a Trading Day prior to the opening of "regular trading hours" (as defined in Rule 600(b) of Regulation NMS promulgated under the federal securities laws) on such Trading Day, (ii) at the option of the Holder, either (y) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise or (z) the Bid Price of the Ordinary Shares on the principal Trading Market as reported by Bloomberg L.P. as of the time of the Holder's execution of the applicable Notice of Exercise if such Notice of Exercise is executed during "regular trading hours" on a Trading Day and is delivered within two (2) hours thereafter (including until two (2) hours after the close of "regular trading hours" on a Trading Day) pursuant to Section 2(a) hereof or (iii) the VWAP on the date of the applicable Notice of Exercise if the date of such Notice of Exercise is a Trading Day and such Notice of Exercise is both executed and delivered pursuant to Section 2(a) hereof after the close of "regular trading hours" on such Trading Day;

(B) = the Exercise Price of this Warrant, as adjusted hereunder; and

(X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

If Warrant Shares are issued in such a cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the registered characteristics of the Warrants being exercised. The Company agrees not to take any position contrary to this Section 2(c).

Notwithstanding anything herein to the contrary, in the event that, on the Termination Date, there is no effective registration statement registering, or no current prospectus available for the issuance of, the Warrant Shares to the Holder, this Warrant shall be automatically exercised via cashless exercise pursuant to this Section 2(c) on such Termination Date.

d) Mechanics of Exercise.

i. Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder's or its designee's balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("DWAC") if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by Holder or (B) this Warrant is being exercised via cashless exercise, and otherwise by physical delivery of a certificate, registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the address specified by the Holder in the Notice of Exercise by the date that is the earliest of (i) two (2) Trading Days after the delivery to the Company of the Notice of Exercise, (ii) one (1) Trading Day after delivery of the aggregate Exercise Price to the Company and (iii) the number of Trading Days comprising the Standard Settlement Period after the delivery to the Company of the Notice of Exercise (such date, the "Warrant Share Delivery Date"). Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that payment of the aggregate Exercise Price (other than in the case of a cashless exercise) is received within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period following delivery of the Notice of Exercise. If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to a Notice of Exercise by the Warrant Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each $1,000 of Warrant Shares subject to such exercise (based on the VWAP of the Ordinary Shares on the date of the applicable Notice of Exercise), $10 per Trading Day (increasing to $20 per Trading Day on the fifth Trading Day after such liquidated damages begin to accrue) for each Trading Day after such Warrant Share Delivery Date until such Warrant Shares are delivered or Holder rescinds such exercise. The Company agrees to maintain a transfer agent that is a participant in the FAST program so long as this Warrant remains outstanding and exercisable. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the Ordinary Shares as in effect on the date of delivery of the Notice of Exercise.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise; provided, however, that the Holder shall be required to return any Warrant Shares subject to any such rescinded exercise notice concurrently with the return to Holder of the aggregate Exercise Price paid to the Company for such Warrant Shares and the restoration of Holder's right to acquire such Warrant Shares pursuant to this Warrant (including, issuance of a replacement warrant certificate evidencing such restored right).

iv. Compensation for Buy-In on Failure to Timely Deliver Warrant Shares Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares in accordance with the provisions of Section 2(d)(i) above pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, shares of Ordinary Shares to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Ordinary Shares so purchased exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of shares of Ordinary Shares that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Ordinary Shares having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted exercise of shares of Ordinary Shares with an aggregate sale price giving rise to such purchase obligation of $10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder $1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver shares of Ordinary Shares upon exercise of the Warrant as required pursuant to the terms hereof.

v. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

vi. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that, in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto as Annex B duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

vii. Closing of Books. The Company will not close its shareholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

e) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates (such Persons, "Attribution Parties")), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Ordinary Shares beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of shares of Ordinary Shares issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Ordinary Shares which would be issuable upon (i) exercise of the remaining, non-exercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or non-converted portion of any other securities of the Company (including, without limitation, any other Ordinary Share Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) 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 Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding shares of Ordinary Shares, a Holder may rely on the number of outstanding shares of Ordinary Shares as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of shares of Ordinary Shares outstanding. Upon the written or oral request of a Holder, the Company shall within one Trading Day confirm orally and in writing to the Holder the number of shares of Ordinary Shares then outstanding. In any case, the number of outstanding shares of Ordinary Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding shares of Ordinary Shares was reported. The "Beneficial Ownership Limitation" shall be 4.99% (or, upon election by a Holder prior to the issuance of any Warrants, 9.99%) of the number of shares of Ordinary Shares outstanding immediately after giving effect to the issuance of shares of Ordinary Shares issuable upon exercise of this Warrant. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the Ordinary Shares outstanding immediately after giving effect to the issuance of shares of Ordinary Shares upon exercise of this Warrant held by the Holder and the provisions of this Section 2(e) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

Section 3. Certain Adjustments.

a) Share Dividends and Splits. If the Company, at any time while this Warrant is outstanding:

i) pays a share dividend or otherwise makes a distribution or distributions on shares of its Ordinary Shares or any other equity or Ordinary Share Equivalents payable in Ordinary Shares (which, for avoidance of doubt, shall not include any shares of Ordinary Shares issued by the Company upon exercise of this Warrant),
ii) subdivides outstanding shares of Ordinary Shares into a larger number of shares,
iii) combines (including by way of reverse share split) outstanding shares of Ordinary Shares into a smaller number of shares, or
iv) issues by reclassification of shares of Ordinary Shares or any shares of capital share of the Company,

then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Shares and such other capital shares of the Company (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Ordinary Shares and such other capital shares of the Company (excluding treasury shares, if any) outstanding immediately after such event, and the number of shares of Ordinary Shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Reserved.

c) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Ordinary Share Equivalents or rights to purchase shares, warrants, securities or other property pro rata to the record holders of any class of Ordinary Shares (the "Purchase Rights"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Ordinary Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Ordinary Shares are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, that, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such Ordinary Shares as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

d) Reserved.

e) Fundamental Transaction. If, at any time while the Warrants are outstanding,

(i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another person;

(ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions;

(iii) any direct or indirect purchase offer, tender offer or exchange offer (whether by the Company or another person) is completed pursuant to which holders of shares of Ordinary Shares are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the Company's shares of Ordinary Shares or 50% or more of the total voting power of the Company's shares of Ordinary Shares;

(iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of shares of Ordinary Shares or any compulsory share exchange pursuant to which the shares of Ordinary Shares are effectively converted into or exchanged for other securities, cash or property, or

(v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another person or group of persons whereby such other person or group acquires 50% or more of the Company's shares of Ordinary Shares or 50% or more of the total voting power of the Company's shares of Ordinary Shares (each a "Fundamental Transaction"),

then, upon any subsequent exercise of a Warrant, the Holder shall have the right to receive, for each share of Ordinary Shares that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder, the number of shares of capital stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, or depositary shares representing those shares, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Ordinary Shares for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Ordinary Shares in such Fundamental Transaction and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Ordinary Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction.

The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity"), to assume in writing all of the obligations of the Company under this Warrant in accordance with the provisions of this Section 3(e) pursuant to written agreements in form reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to such Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant that is exercisable for a corresponding number of shares of capital shares of such Successor Entity (or its parent entity) equivalent to the shares of Ordinary Shares acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction and with an exercise price which applies the exercise price hereunder to such shares of capital shares (but taking into account the relative value of the shares of Ordinary Shares prior to such Fundamental Transaction and the value of such shares of capital shares, such number of shares of capital shares and such exercise price being for the purpose of protecting the economic value this Warrant had immediately prior to the consummation of such Fundamental Transaction). Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant Agreement and the Warrant with the same effect as if such Successor Entity had been named as the Company herein.

The Company shall instruct the Warrant Agent in writing to mail, by first class mail, postage prepaid, to each Holder, written notice of the execution of any such amendment, supplement or agreement with the Successor Entity. Any supplemented or amended agreement entered into by the successor corporation or transferee shall provide for adjustments, which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 3(e). The Warrant Agent shall have no duty, responsibility or obligation to determine the correctness of any provisions contained in such agreement or such notice, including but not limited to any provisions relating either to the kind or amount of securities or other property receivable upon exercise of warrants or with respect to the method employed and provided therein for any adjustments, and shall be entitled to rely conclusively for all purposes upon the provisions contained in any such agreement. The provisions of this Section 3(e) shall similarly apply to successive reclassifications, changes, consolidations, mergers, sales and conveyances of the kind described above.

f) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares deemed to be issued and outstanding as of a given date shall be the sum of the number shares (excluding treasury shares, if any) issued and outstanding.

g) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by facsimile or email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of shares of Ordinary Shares underlying the Warrant and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the shares of Ordinary Shares, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the shares of Ordinary Shares, (C) the Company shall authorize the granting to all holders of shares of Ordinary Shares rights or warrants to subscribe for or purchase any shares of capital shares of any class or of any rights, (D) the approval of any shareholders of the Company shall be required in connection with any reclassification of the Ordinary Shares, any consolidation or merger to which the Company (or any of its Subsidiaries) is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby shares of Ordinary Shares are converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by facsimile or email to the Holder at its last facsimile number or email address as it shall appear upon the Warrant Register of the Company, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice (unless such information is filed with the Commission, in which case a notice shall not be required) stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of record of shares of Ordinary Shares to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of record of the shares of Ordinary Shares shall be entitled to exchange their shares of Ordinary Shares for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided in this Warrant constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

h) Voluntary Adjustment by Company. Subject to the rules and regulations of the Trading Market, the Company may at any time during the term of this Warrant, reduce the then current Exercise Price to any amount and for any period of time deemed appropriate by the board of directors of the Company.

Section 4. Transfer of Warrant.

a) Transferability. This Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three (3) Trading Days of the date on which the Holder delivers an assignment form to the Company assigning this Warrant in full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. If this Warrant is not held in global form through DTC (or any successor depositary), this Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the initial issuance date of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Warrant Agent shall register this Warrant, upon records to be maintained by the Warrant Agent for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company and the Warrant Agent may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

Section 5. Reserved.

Section 6. Miscellaneous.

a) No Rights as Shareholder until Exercise; No Settlement in Cash. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3. Without limiting any rights of a Holder to receive Warrant Shares on a "cashless exercise" pursuant to Section 2(c) or to receive cash payments pursuant to Section 2(d)(i) and Section 2(d)(iv) herein, including if the Company is for any reason unable to issue and deliver Warrant Shares upon exercise of this Warrant as required pursuant to the terms hereof, in no event shall the Company be required to net cash settle an exercise of this Warrant or cash settle in any other form.

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any shares certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (including the posting of any bond), and upon surrender and cancellation of such Warrant or share certificate, if mutilated, the Company will make and deliver a new Warrant or share certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or share certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

d) Authorized Shares.

The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Ordinary Shares a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Ordinary Shares may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation 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 of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Warrant (whether brought against a party hereto or their respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Warrant and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If either party shall commence an action, suit or proceeding to enforce any provisions of this Warrant, the prevailing party in such action, suit or proceeding shall be reimbursed by the other party for their reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding. Notwithstanding the foregoing, nothing in this paragraph shall limit or restrict the federal district court in which a Holder may bring a claim under the U.S. federal securities laws.

f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, and the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.

g) Non-waiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. No provision of this Warrant shall be construed as a waiver by the Holder of any rights which the Holder may have under the U.S. federal securities laws and the rules and regulations of the Commission thereunder. Without limiting any other provision of this Warrant, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder including, without limitation, any Notice of Exercise, shall be in writing and delivered personally, by e-mail, or sent by a nationally recognized overnight courier service, addressed to the Company, at 15 Ha'Tidhar St, Ra'anana, 4366517 Israel, Attention: **Chief Executive Officer**, email address: shahar@railvision.io, or such other email address or address as the Company may specify for such purposes by notice to the Holders. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by e-mail, or sent by a nationally recognized overnight courier service addressed to each Holder at the e-mail address or address of such Holder appearing on the books of the Company. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the time of transmission, if such notice or communication is delivered via e-mail at the e-mail address set forth in this Section prior to 5:30 p.m. (New York City time) on any date, (ii) the next Trading Day after the time of transmission, if such notice or communication is delivered via e-mail at the e-mail address set forth in this Section on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K.

i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Ordinary Shares or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company, on the one hand, and the Holder or the beneficial owner of this Warrant, on the other hand.

m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

o) Warrant Agency Agreement. If this Warrant is held in global form through DTC (or any successor depositary), this Warrant is issued subject to the Warrant Agency Agreement. To the extent any provision of this Warrant conflicts with the express provisions of the Warrant Agency Agreement, the provisions of this Warrant shall govern and be controlling.

****

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

RAIL VISION LTD.

By: _____
Name: Shahar Hania
Title: Chief Executive Officer

Annex A

NOTICE OF EXERCISE

TO: RAIL VISION LTD.

(1) The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

☐ in lawful money of the United States; or

☐ [if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

_____

The Warrant Shares shall be delivered to the following DWAC Account Number:

_____

_____

_____

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____
Signature of Authorized Signatory of Investing Entity: _____
Name of Authorized Signatory: _____
Title of Authorized Signatory: _____
Date: _____

Annex B

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to:

Name: _____
(Please Print)

Address: _____
(Please Print)

Phone Number: _____

Email Address: _____

Dated: _____ __, _____

Holder's Signature: _____

Holder's Address: _____

(Signature Guaranteed): Date: _____, _____

Signature to be guaranteed by an authorized officer of a chartered bank, trust company or medallion guaranteed by an investment dealer who is a member of a recognized stock exchange.

Exhibit 4.4

WARRANT AGENT AGREEMENT

This WARRANT AGENT AGREEMENT (this ***"Warrant Agreement"***) dated as of March , 2022 (the ***"Issuance Date"***) is between Rail Vision Ltd., an Israeli company (the ***"Company"***), and VStock Transfer, LLC (the ***"Warrant Agent"***).

WHEREAS, pursuant to the terms of that certain Underwriting Agreement (***"Underwriting Agreement"***), dated March [●], 2022, by and among the Company and Aegis Capital Corp., as the underwriter (the ***"Underwriter"***) , the Company is engaged in a public offering of (i) up to [●] common units (the "***Common Units***"), with each Common Unit consisting of one (1) one ordinary share, par value NIS 0.01 per share of the Company (each, an "***Ordinary Share***"), one (i) warrant (each, a ***"Tradeable Warrant"*** and collectively, the "***Tradeable Warrants***") to purchase one Ordinary Share at an exercise price of $[●] (representing 125% of the per Unit offering price); (ii) up to [●] pre-funded units (the "***Pre-funded Units***"), with each Pre-funded Unit consisting of one (1) pre-funded warrant to purchase one Ordinary Share at an exercise price of $0.001 per share (the ***"Pre-funded Warrant,"*** and collectively, the ***"Pre-funded Warrants"***); together with the Tradeable Warrants, the "***Warrants***") and one (1) Tradeable Warrant; and (iii) up to [●] Ordinary Shares, Pre-funded Warrants and/or Tradeable Warrants issuable pursuant to the Underwriter's over-allotment option granted pursuant to the Underwriting Agreement.

WHEREAS, the Company has filed with the Securities and Exchange Commission (the ***"Commission"***) a Registration Statement on Form F-1 (File No. 333-[●]) (as the same may be amended from time to time, the ***"Registration Statement"***), for the registration under the Securities Act of 1933, as amended (the ***"Securities Act"***), of the Common Units, Pre-funded Units, Ordinary Shares, Pre-funded Warrants, Tradeable Warrants and shares underlying Pre-funded Warrants and Tradeable Warrants, and such Registration Statement was declared effective on March [●], 2022; and

WHEREAS, the Company desires the Warrant Agent to act on behalf of the Company, and the Warrant Agent is willing to so act, in accordance with the terms set forth in this Warrant Agreement in connection with the issuance, registration, transfer, exchange and exercise of the Pre-funded Warrants;

WHEREAS, the Company desires to provide for the provisions of the Pre-funded Warrants, the terms upon which they shall be issued and exercised, and the respective rights, limitation of rights, and immunities of the Company, the Warrant Agent, and the holders of the Pre-funded Warrants; and

WHEREAS, all acts and things have been done and performed which are necessary to make the Pre-funded Warrants the valid, binding and legal obligations of the Company, and to authorize the execution and delivery of this Warrant Agreement.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the parties hereto agree as follows:

1. Appointment of Warrant Agent. The Company hereby appoints the Warrant Agent to act as agent for the Company with respect to the Pre-funded Warrants, and the Warrant Agent hereby accepts such appointment and agrees to perform the same in accordance with the express terms and conditions set forth in this Warrant Agreement (and no implied terms or conditions).

2. Pre-funded Warrants.

2.1. Form of Pre-funded Warrants. The Pre-funded Warrants shall be registered securities and shall be evidenced by a global pre-funded warrant (***"Global Pre-funded Warrant"***) in the form of Exhibit A to this Warrant Agreement, which shall be deposited on behalf of the Company with a custodian for The Depository Trust Company (***"DTC"***) and registered in the name of Cede & Co., a nominee of DTC. The terms of the Global Pre-funded Warrant are incorporated herein by reference. If DTC subsequently ceases to make its book-entry settlement system available for the Pre-funded Warrants, the Company may instruct the Warrant Agent regarding making other arrangements for book-entry settlement. In the event that the Pre-funded Warrants are not eligible for, or it is no longer necessary to have the Pre-funded Warrants available in, book-entry form, the Company may instruct the Warrant Agent to provide written instructions to DTC to deliver to the Warrant Agent for cancellation the Global Pre-funded Warrant, and the Company shall instruct the Warrant Agent to deliver to DTC separate certificates evidencing Pre-funded Warrants (***"Definitive Certificates"*** and, together with the Global Pre-funded Warrant, ***"Warrant Certificates"***) registered as requested through the DTC system.

2.2. Issuance and Registration of Pre-funded Warrants.

2.2.1. Warrant Register. The Warrant Agent shall maintain books (***"Warrant Register"***) for the registration of original issuance and the registration of transfer of the Pre-funded Warrants.

2.2.2. Issuance of Pre-funded Warrants. Upon the initial issuance of the Pre-funded Warrants, the Warrant Agent shall issue the Global Warrant and deliver the Pre-funded Warrants in the DTC book-entry settlement system in accordance with written instructions delivered to the Warrant Agent by the Company. Ownership of security entitlements in the Pre-funded Warrants shall be shown on, and the transfer of such ownership shall be effected through, records maintained (i) by DTC and (ii) by institutions that have accounts with DTC (each, a ***"Participant"***).

2.2.3. Beneficial Owner; Holder. Prior to due presentment for registration of transfer of any Pre-funded Warrant, the Company and the Warrant Agent may deem and treat the person in whose name that Pre-funded Warrant shall be registered on the Warrant Register (the ***"Holder"***) as the absolute owner of such Pre-funded Warrant for purposes of any exercise thereof, and for all other purposes, and neither the Company nor the Warrant Agent shall be affected by any notice to the contrary. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Warrant Agent or any agent of the Company or the Warrant Agent from giving effect to any written certification, proxy or other authorization furnished by DTC governing the exercise of the rights of a holder of a beneficial interest in any Pre-funded Warrant. The rights of beneficial owners in a Pre-funded Warrant evidenced by the Global Pre-funded Warrant shall be exercised by the Holder or a Participant through the DTC system, except to the extent set forth herein or in the Global Pre-funded Warrant.

2.2.4. Delivery of Warrant Certificate. A Holder has the right to elect at any time or from time to time a Warrant Exchange (as defined below) pursuant to a Warrant Certificate Request Notice (as defined below). Upon written notice by a Holder to the Warrant Agent for the exchange of some or all of such Holder's Global Pre-funded Warrants for a Warrant Certificate evidencing the same number of Pre-funded Warrants, which request shall be in the form attached hereto as Exhibit B (a ***"Warrant Certificate Request Notice"*** and the date of delivery of such Warrant Certificate Request Notice by the Holder, the ***"Warrant Certificate Request Notice Date"*** and the deemed surrender upon delivery by the Holder of a number of Global Pre-funded Warrants for the same number of Pre-funded Warrants evidenced by a Warrant Certificate, a ***"Warrant Exchange"***), the Warrant Agent shall promptly effect the Warrant Exchange and shall promptly issue and deliver to the Holder a Warrant Certificate for such number of Pre-funded Warrants in the name set forth in the Warrant Certificate Request Notice. Such Warrant Certificate shall be dated the date of issuance of the Warrant Certificate, shall include the initial exercise date of the Pre-funded Warrants, shall be executed by an authorized signatory of the Company and shall be reasonably acceptable in all respects to such Holder. In connection with a Warrant Exchange, the Company agrees to deliver, or to direct the Warrant Agent to deliver, the Warrant Certificate to the Holder within three (3) Business Days of the Warrant Certificate Request Notice pursuant to the delivery instructions in the Warrant Certificate Request Notice (***"Warrant Certificate Delivery Date"***). If the Company fails for any reason to deliver to the Holder the Warrant Certificate subject to the Warrant Certificate Request Notice by the Warrant Certificate Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each $1,000 of Ordinary Shares issuable upon exercise of the Pre-funded Warrants (the ***"Warrant Shares"***) evidenced by such Warrant Certificate (based on the VWAP (as defined in the Pre-funded Warrants) of the Ordinary Shares on the Warrant Certificate Request Notice Date), $10 per Business Day for each Business Day after such Warrant Certificate Delivery Date until such Warrant Certificate is delivered or, prior to delivery of such Warrant Certificate, the Holder rescinds such Warrant Exchange. The Company covenants and agrees that, upon the date of delivery of the Warrant Certificate Request Notice, the Holder shall be deemed to be the holder of the Warrant Certificate and, notwithstanding anything to the contrary set forth herein, the Warrant Certificate shall be deemed for all purposes to contain all of the terms and conditions of the Pre-funded Warrants evidenced by such Warrant Certificate and the terms of this Agreement.

2.2.5. Execution. The Warrant Certificates shall be executed on behalf of the Company by any authorized officer of the Company (an ***"Authorized Officer"***), which need not be the same authorized signatory for all of the Warrant Certificates, either manually or by facsimile signature. The Warrant Certificates shall be countersigned by an authorized signatory of the Warrant Agent, which need not be the same signatory for all of the Warrant Certificates, and no Warrant Certificate shall be valid for any purpose unless so countersigned. In case any Authorized Officer of the Company that signed any of the Warrant Certificates ceases to be an Authorized Officer of the Company before countersignature by the Warrant Agent and issuance and delivery by the Company, such Warrant Certificates, nevertheless, may be countersigned by the Warrant Agent, issued and delivered with the same force and effect as though the person who signed such Warrant Certificates had not ceased to be such officer of the Company; and any Warrant Certificate may be signed on behalf of the Company by any person who, at the actual date of the execution of such Warrant Certificate, shall be an Authorized Officer of the Company authorized to sign such Warrant Certificate, although at the date of the execution of this Warrant Agreement any such person was not such an Authorized Officer.

2.2.6. Registration of Transfer. At any time at or prior to the Expiration Date (as defined below), a transfer of any Pre-funded Warrants may be registered and any Warrant Certificate or Warrant Certificates may be split up, combined or exchanged for another Warrant Certificate or Warrant Certificates evidencing the same number of Pre-funded Warrants as the Warrant Certificate or Warrant Certificates surrendered. Any Holder desiring to register the transfer of Pre-funded Warrants or to split up, combine or exchange any Warrant Certificate shall make such request in writing delivered to the Warrant Agent, and shall surrender to the Warrant Agent the Warrant Certificate or Warrant Certificates evidencing the Pre-funded Warrants the transfer of which is to be registered or that is or are to be split up, combined or exchanged and, in the case of registration of transfer, shall provide a signature guarantee. Thereupon, the Warrant Agent shall countersign and deliver to the person entitled thereto a Warrant Certificate or Warrant Certificates, as the case may be, as so requested. The Company and the Warrant Agent may require payment, by the Holder requesting a registration of transfer of Pre-funded Warrants or a split-up, combination or exchange of a Warrant Certificate (but, for purposes of clarity, not upon the exercise of the Pre-funded Warrants and issuance of Warrant Shares to the Holder), of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with such registration of transfer, split-up, combination or exchange, together with reimbursement to the Company and the Warrant Agent of all reasonable expenses incidental thereto.

2.2.7. Loss, Theft and Mutilation of Warrant Certificates. Upon receipt by the Company and the Warrant Agent of evidence reasonably satisfactory to them of the loss, theft, destruction or mutilation of a Warrant Certificate, and, in case of loss, theft or destruction, of indemnity or security in customary form and amount, and reimbursement to the Company and the Warrant Agent of all reasonable expenses incidental thereto, and upon surrender to the Warrant Agent and cancellation of the Warrant Certificate if mutilated, the Warrant Agent shall, on behalf of the Company, countersign and deliver a new Warrant Certificate of like tenor to the Holder in lieu of the Warrant Certificate so lost, stolen, destroyed or mutilated. The Warrant Agent may charge the Holder an administrative fee for processing the replacement of lost Warrant Certificates. The Warrant Agent may receive compensation from the surety companies or surety agents for administrative services provided to them.

2.2.8. Proxies. The Holder of a Pre-funded Warrant may grant proxies or otherwise authorize any person, including the Participants and beneficial holders that may own interests through the Participants, to take any action that a Holder is entitled to take under this Agreement or the Pre-funded Warrants; provided, however, that at all times that Pre-funded Warrants are evidenced by a Global Pre-funded Warrant, exercise of those Pre-funded Warrants shall be effected on their behalf by Participants through DTC in accordance the procedures administered by DTC.

3. Terms and Exercise of Pre-funded Warrants.

3.1. Exercise Price. Each Pre-funded Warrant shall entitle the Holder, subject to the provisions of the applicable Warrant Certificate and of this Warrant Agreement, to purchase from the Company the number of Ordinary Shares stated therein, at the price of $ 0.001 per whole share, subject to the subsequent adjustments provided in the Global Pre-funded Warrant. The term ***"Exercise Price"*** as used in this Warrant Agreement refers to the price per share at which Ordinary Shares may be purchased at the time a Pre-funded Warrant is exercised.

3.2. Duration of Warrants. A Pre-funded Warrant may be exercised only during the period (***"Exercise Period"***) commencing on the date of issuance and ending on the Termination Date. For purposes of this Warrant Agreement, the ***"Termination Date"*** shall have the meaning set forth in the Global Pre-funded Warrant. Each Pre-funded Warrant not exercised on or before the Termination Date shall become void, and all rights thereunder and all rights in respect thereof under this Agreement shall cease at the close of business on the Termination Date.

3.3. Exercise of Pre-funded Warrants.

3.3.1. Exercise. Subject to the provisions of the Global Pre-funded Warrant, a Holder (or a Participant or a designee of a Participant acting on behalf of a Holder) may exercise Pre-funded Warrants by delivering to the Warrant Agent, (i) not later than 5:00 P.M., Eastern Standard Time, on any business day during the Exercise Period a notice of exercise of the Pre-funded Warrants to be exercised (A) in the form attached to the Global Pre-funded Warrant or (B) via an electronic warrant exercise through the DTC system (each, an ***"Election to Purchase"***) and (ii) within one (1) Trading Day of the Date of Exercise, Pre-funded Warrants to be exercised by (A) surrender of the Warrant Certificate evidencing the Pre-funded Warrants to the Warrant Agent at its office designated for such purpose or (B) delivery of the Warrants to an account of the Warrant Agent at DTC designated for such purpose in writing by the Warrant Agent to DTC from time to time. Partial exercises of a Pre-funded Warrant resulting in purchases of a portion of the total number of Warrant Shares available thereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender a Warrant Certificate until the Holder has purchased all of the Warrant Shares available thereunder and the Pre-funded Warrant has been exercised in full, in which case, the Holder shall surrender such Pre-funded Warrant to the Company for cancellation within three (3) Trading Days of the date the final Notice of Exercise is delivered to the Company. All other requirements for the exercise of a Pre-funded Warrant shall be as set forth in the Pre-funded Warrant.

3.3.2. The Warrant Agent shall, by 5:00 p.m., New York City time, on the Trading Day following the Exercise Date of any Pre-funded Warrant, advise the Company, the transfer agent and registrar for the Company's Ordinary Shares, in respect of (i) the number of Warrant Shares indicated on the Notice of Exercise as issuable upon such exercise with respect to such exercised Pre-funded Warrants, (ii) the instructions of the Holder or Participant, as the case may be, provided to the Warrant Agent with respect to the delivery of the Warrant Shares and the number of Pre-funded Warrants that remain outstanding after such exercise and (iii) such other information as the Company or such transfer agent and registrar shall reasonably request. The Company shall issue the Warrant Shares in compliance with the terms of the Pre-funded Warrant.

3.3.3. Valid Issuance. All Warrant Shares issued by the Company upon the proper exercise of a Pre-funded Warrant in conformity with this Warrant Agreement shall be validly issued, fully paid and non-assessable.

3.3.4. No Fractional Exercise. Notwithstanding any provision contained in this Warrant Agreement to the contrary, no fractional shares or scrip representing fractional shares shall be issued upon the exercise of the Pre-funded Warrants. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

3.3.5. No Transfer Taxes. The Company shall not be required to pay any stamp or other tax or governmental charge required to be paid in connection with any transfer involved in the issue of the Warrant Shares upon the exercise of Pre-funded Warrants; and in the event that any such transfer is involved, the Company shall not be required to issue or deliver any Warrant Shares until such tax or other charge shall have been paid or it has been established to the Company's satisfaction that no such tax or other charge is due.

3.3.6. Date of Issuance. The Company will treat an exercising Holder as a beneficial owner of the Warrant Shares as of the Exercise Date, and for purposes of Regulation SHO, a holder whose interest in the Pre-funded Warrant is a beneficial interest in certificate(s) representing the Pre-funded Warrant held in book-entry form through DTC shall be deemed to have exercised its interest in the Pre-funded Warrant upon instructing its broker that is a DTC participant to exercise its interest in the Pre-funded Warrant, except that, if the Exercise Date is a date when the stock transfer books of the Company are closed, such person shall be deemed to have become the holder of such shares at the open of business on the next succeeding date on which the stock transfer books are open.

4. Adjustments. Upon every adjustment of the Exercise Price or the number of Warrant Shares issuable upon exercise of a Pre-funded Warrant, the Company shall give written notice thereof to the Warrant Agent, which notice shall state the Exercise Price resulting from such adjustment and the increase or decrease, if any, in the number of Warrant Shares purchasable at such price upon the exercise of a Pre-funded Warrant, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based. Upon the occurrence of any event specified in Section 3 of the Pre-funded Warrant, then, in any such event, the Company shall give written notice to the Warrant Agent. Failure to give such notice, or any defect therein, shall not affect the legality or validity of such event. The Warrant Agent shall be entitled to rely conclusively on, and shall be fully protected in relying on, any certificate, notice or instructions provided by the Company with respect to any adjustment of the Exercise Price or the number of shares issuable upon exercise of a Pre-funded Warrant, or any related matter, and the Warrant Agent shall not be liable for any action taken, suffered or omitted to be taken by it in accordance with any such certificate, notice or instructions or pursuant to this Warrant Agreement. The Warrant Agent shall not be deemed to have knowledge of any such adjustment unless and until it shall have received written notice thereof from the Company.

5. Restrictive Legends; Fractional Pre-funded Warrants. In the event that a Warrant Certificate surrendered for transfer bears a restrictive legend, the Warrant Agent shall not register that transfer until the Warrant Agent has received an opinion of counsel for the Company stating that such transfer may be made and indicating whether the Pre-funded Warrants must also bear a restrictive legend upon that transfer. The Warrant Agent shall not be required to effect any registration of transfer or exchange which will result in the transfer of or delivery of a Warrant Certificate for a fraction of a Pre-funded Warrant.

6. Other Provisions Relating to Rights of Holders of Pre-funded Warrants.

6.1. No Rights as Shareholder. Except as otherwise specifically provided herein, a Holder, solely in its capacity as a holder of Pre-funded Warrants, shall not be entitled to vote or receive dividends or be deemed the holder of share capital of the Company for any purpose, nor shall anything contained in this Warrant Agreement be construed to confer upon a Holder, solely in its capacity as the registered holder of Pre-funded Warrants, any of the rights of a shareholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any reorganization, issue of shares, reclassification of share capital, consolidation, merger, conveyance or otherwise), receive notice of meetings, receive dividends or subscription rights or rights to participate in new issues of shares, or otherwise, prior to the issuance to the Holder of the Warrant Shares which it is then entitled to receive upon the due exercise of Pre-funded Warrants.

6.2. Reservation of Ordinary Shares. The Company shall at all times reserve and keep available a number of its authorized but unissued Ordinary Shares that will be sufficient to permit the exercise in full of all outstanding Pre-funded Warrants issued pursuant to this Warrant Agreement.

7. Concerning the Warrant Agent and Other Matters.

7.1. Any instructions given to the Warrant Agent orally, as permitted by any provision of this Warrant Agreement, shall be confirmed in writing by the Company as soon as practicable. The Warrant Agent shall not be liable or responsible and shall be fully authorized and protected for acting, or failing to act, in accordance with any oral instructions which do not conform with the written confirmation received in accordance with this Section 7.1.

7.2. (a) Whether or not any Pre-funded Warrants are exercised, for the Warrant Agent's services as agent for the Company hereunder, the Company shall pay to the Warrant Agent such fees as may be separately agreed between the Company and Warrant Agent and the Warrant Agent's out of pocket expenses in connection with this Warrant Agreement, including, without limitation, the fees and expenses of the Warrant Agent's counsel. While the Warrant Agent endeavors to maintain out-of-pocket charges (both internal and external) at competitive rates, these charges may not reflect actual out-of-pocket costs, and may include handling charges to cover internal processing and use of the Warrant Agent's billing systems. (b) All amounts owed by the Company to the Warrant Agent under this Warrant Agreement are due within 30 days of the invoice date. Delinquent payments are subject to a late payment charge of one and one-half percent (1.5%) per month commencing 45 days from the invoice date. The Company agrees to reimburse the Warrant Agent for any attorney's fees and any other costs associated with collecting delinquent payments. (c) No provision of this Warrant Agreement shall require Warrant Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under this Warrant Agreement or in the exercise of its rights.

7.3. As agent for the Company hereunder the Warrant Agent: (a) shall have no duties or obligations other than those specifically set forth herein or as may subsequently be agreed to in writing by the Warrant Agent and the Company; (b) shall be regarded as making no representations and having no responsibilities as to the validity, sufficiency, value, or genuineness of the Pre-funded Warrants or any Warrant Shares; (c) shall not be obligated to take any legal action hereunder; if, however, the Warrant Agent determines to take any legal action hereunder, and where the taking of such action might, in its judgment, subject or expose it to any expense or liability it shall not be required to act unless it has been furnished with an indemnity reasonably satisfactory to it; (d) may rely on and shall be fully authorized and protected in acting or failing to act upon any certificate, instrument, opinion, notice, letter, telegram, telex, facsimile transmission or other document or security delivered to the Warrant Agent and believed by it to be genuine and to have been signed by the proper party or parties; (e) shall not be liable or responsible for any recital or statement contained in the Registration Statement or any other documents relating thereto; (f) shall not be liable or responsible for any failure on the part of the Company to comply with any of its covenants and obligations relating to the Pre-funded Warrants, including without limitation obligations under applicable securities laws; (g) may rely on and shall be fully authorized and protected in acting or failing to act upon the written, telephonic or oral instructions with respect to any matter relating to its duties as Warrant Agent covered by this Warrant Agreement (or supplementing or qualifying any such actions) of officers of the Company, and is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from the Company or counsel to the Company, and may apply to the Company, for advice or instructions in connection with the Warrant Agent's duties hereunder, and the Warrant Agent shall not be liable for any delay in acting while waiting for those instructions; any applications by the Warrant Agent for written instructions from the Company may, at the option of the Agent, set forth in writing any action proposed to be taken or omitted by the Warrant Agent under this Warrant Agreement and the date on or after which such action shall be taken or such omission shall be effective; the Warrant Agent shall not be liable for any action taken by, or omission of, the Warrant Agent in accordance with a proposal included in such application on or after the date specified in such application (which date shall not be less than five business days after the date such application is sent to the Company, unless the Company shall have consented in writing to any earlier date) unless prior to taking any such action, the Warrant Agent shall have received written instructions in response to such application specifying the action to be taken or omitted; (h) may consult with counsel satisfactory to the Warrant Agent, including its in-house counsel, and the advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted by it hereunder in good faith and in accordance with the advice of such counsel; (i) may perform any of its duties hereunder either directly or by or through nominees, correspondents, designees, or subagents, and it shall not be liable or responsible for any misconduct or negligence on the part of any nominee, correspondent, designee, or subagent appointed with reasonable care by it in connection with this Warrant Agreement; (j) is not authorized, and shall have no obligation, to pay any brokers, dealers, or soliciting fees to any person; and (k) shall not be required hereunder to comply with the laws or regulations of any country other than the United States of America or any political subdivision thereof.

7.4. (a) In the absence of gross negligence or willful or illegal misconduct on its part, the Warrant Agent shall not be liable for any action taken, suffered, or omitted by it or for any error of judgment made by it in the performance of its duties under this Warrant Agreement. Anything in this Warrant Agreement to the contrary notwithstanding, in no event shall Warrant Agent be liable for special, indirect, incidental, consequential or punitive losses or damages of any kind whatsoever (including but not limited to lost profits, liquidated damages or buy-in claim), even if the Warrant Agent has been advised of the possibility of such losses or damages and regardless of the form of action. Any liability of the Warrant Agent will be limited in the aggregate to the amount of fees paid by the Company hereunder. The Warrant Agent shall not be liable for any failures, delays or losses, arising directly or indirectly out of conditions beyond its reasonable control including, but not limited to, acts of government, exchange or market ruling, suspension of trading, work stoppages or labor disputes, fires, civil disobedience, riots, rebellions, storms, electrical or mechanical failure, computer hardware or software failure, communications facilities failures including telephone failure, war, terrorism, insurrection, earthquakes, floods, acts of God or similar occurrences. (b) In the event any question or dispute arises with respect to the proper interpretation of the Pre-funded Warrants or the Warrant Agent's duties under this Warrant Agreement or the rights of the Company or of any Holder, the Warrant Agent shall not be required to act and shall not be held liable or responsible for its refusal to act until the question or dispute has been judicially settled (and, if appropriate, it may file a suit in interpleader or for a declaratory judgment for such purpose) by final judgment rendered by a court of competent jurisdiction, binding on all persons interested in the matter which is no longer subject to review or appeal, or settled by a written document in form and substance satisfactory to Warrant Agent and executed by the Company and each such Holder. In addition, the Warrant Agent may require for such purpose, but shall not be obligated to require, the execution of such written settlement by all the Holders and all other persons that may have an interest in the settlement.

7.5. The Company covenants to indemnify the Warrant Agent and hold it harmless from and against any loss, liability, claim or expense (***"Loss"***) arising out of or in connection with the Warrant Agent's duties under this Warrant Agreement, including the costs and expenses of defending itself against any Loss, unless such Loss shall have been determined by a court of competent jurisdiction to be a result of the Warrant Agent's gross negligence or willful misconduct.

7.6. Unless terminated earlier by the parties hereto, this Agreement shall terminate 90 days after the earlier of the Expiration Date and the date on which no Pre-funded Warrants remain outstanding (the ***"Agreement Termination Date"***). On the business day following the Agreement Termination Date, the Agent shall deliver to the Company any entitlements, if any, held by the Warrant Agent under this Warrant Agreement. The Agent's right to be reimbursed for fees, charges and out-of-pocket expenses as provided in this Section 8 shall survive the termination of this Warrant Agreement.

7.7. If any provision of this Warrant Agreement shall be held illegal, invalid, or unenforceable by any court, this Warrant Agreement shall be construed and enforced as if such provision had not been contained herein and shall be deemed an Agreement among the parties to it to the full extent permitted by applicable law.

7.8. The Company represents and warrants that: (a) it is duly incorporated and validly existing under the laws of its jurisdiction of incorporation; (b) the offer and sale of the Pre-funded Warrants and the execution, delivery and performance of all transactions contemplated thereby (including this Warrant Agreement) have been duly authorized by all necessary corporate action and will not result in a breach of or constitute a default under the articles of association, bylaws or any similar document of the Company or any indenture, agreement or instrument to which it is a party or is bound; (c) this Warrant Agreement has been duly executed and delivered by the Company and constitutes the legal, valid, binding and enforceable obligation of the Company; (d) the Pre-funded Warrants will comply in all material respects with all applicable requirements of law; and (e) to the best of its knowledge, there is no litigation pending or threatened as of the date hereof in connection with the offering of the Pre-funded Warrants.

7.9. In the event of inconsistency between this Warrant Agreement and the descriptions in the Warrant, as it may from time to time be amended, the terms of this Warrant Agreement shall control.

7.10. Set forth in Exhibit C hereto is a list of the names and specimen signatures of the persons authorized to act for the Company under this Warrant Agreement (the ***"Authorized Representatives"***). The Company shall, from time to time, certify to the Warrant Agent the names and signatures of any other persons authorized to act for the Company under this Warrant Agreement.

7.11. Except as expressly set forth elsewhere in this Warrant Agreement, all notices, instructions and communications under this Agreement shall be in writing, shall be effective upon receipt and shall be addressed, if to the Company, to its address set forth beneath its signature to this Agreement, or, if to the Warrant Agent, to VStock Transfer, LLC, 18 Lafayette Place, Woodmere, New York 11598, or to such other address of which a party hereto has notified the other party.

7.12. (a) This Warrant Agreement shall be governed by and construed in accordance with the laws of the State of New York. All actions and proceedings relating to or arising from, directly or indirectly, this Warrant Agreement may be litigated in courts located within the Borough of Manhattan in the City and State of New York. The Company hereby submits to the personal jurisdiction of such courts and consents that any service of process may be made by certified or registered mail, return receipt requested, directed to the Company at its address last specified for notices hereunder. Each of the parties hereto hereby waives the right to a trial by jury in any action or proceeding arising out of or relating to this Warrant Agreement. (b) This Warrant Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto. This Warrant Agreement may not be assigned, or otherwise transferred, in whole or in part, by either party without the prior written consent of the other party, which the other party will not unreasonably withhold, condition or delay; except that (i) consent is not required for an assignment or delegation of duties by Warrant Agent to any affiliate of Warrant Agent and (ii) any reorganization, merger, consolidation, sale of assets or other form of business combination by Warrant Agent or the Company shall not be deemed to constitute an assignment of this Warrant Agreement. (c) No provision of this Warrant Agreement may be amended, modified or waived, except in a written document signed by both parties. The Company and the Warrant Agent may amend or supplement this Warrant Agreement without the consent of any Holder for the purpose of curing any ambiguity, or curing, correcting or supplementing any defective provision contained herein or adding or changing any other provisions with respect to matters or questions arising under this Agreement as the parties may deem necessary or desirable and that the parties determine, in good faith, shall not adversely affect the interest of the Holders. All other amendments and supplements shall require the vote or written consent of Holders of at least 50.1% of the then outstanding Pre-funded Warrants, provided that adjustments may be made to the Pre-funded Warrant terms and rights in accordance with Section 4 without the consent of the Holders.

7.13. Payment of Taxes. The Company will from time to time promptly pay all taxes and charges that may be imposed upon the Company or the Warrant Agent in respect of the issuance or delivery of Warrant Shares upon the exercise of Pre-funded Warrants, but the Company may require the Holders to pay any transfer taxes in respect of the Pre-funded Warrants or such shares. The Warrant Agent may refrain from registering any transfer of Pre-funded Warrants or any delivery of any Warrant Shares unless or until the persons requesting the registration or issuance shall have paid to the Warrant Agent for the account of the Company the amount of such tax or charge, if any, or shall have established to the reasonable satisfaction of the Company and the Warrant Agent that such tax or charge, if any, has been paid.

7.14. Resignation of Warrant Agent.

7.14.1. Appointment of Successor Warrant Agent. The Warrant Agent, or any successor to it hereafter appointed, may resign its duties and be discharged from all further duties and liabilities hereunder after giving thirty (30) days' notice in writing to the Company, or such shorter period of time agreed to by the Company. The Company may terminate the services of the Warrant Agent, or any successor Warrant Agent, after giving thirty (30) days' notice in writing to the Warrant Agent or successor Warrant Agent, or such shorter period of time as agreed. If the office of the Warrant Agent becomes vacant by resignation, termination or incapacity to act or otherwise, the Company shall appoint in writing a successor Warrant Agent in place of the Warrant Agent. If the Company shall fail to make such appointment within a period of 30 days after it has been notified in writing of such resignation or incapacity by the Warrant Agent, then the Warrant Agent or any Holder may apply to any court of competent jurisdiction for the appointment of a successor Warrant Agent at the Company's cost. Pending appointment of a successor to such Warrant Agent, either by the Company or by such a court, the duties of the Warrant Agent shall be carried out by the Company. Any successor Warrant Agent (but not including the initial Warrant Agent), whether appointed by the Company or by such court, shall be a person organized and existing under the laws of any state of the United States of America, in good standing, and authorized under such laws to exercise corporate trust powers and subject to supervision or examination by federal or state authority. After appointment, any successor Warrant Agent shall be vested with all the authority, powers, rights, immunities, duties, and obligations of its predecessor Warrant Agent with like effect as if originally named as Warrant Agent hereunder, without any further act or deed, and except for executing and delivering documents as provided in the sentence that follows, the predecessor Warrant Agent shall have no further duties, obligations, responsibilities or liabilities hereunder, but shall be entitled to all rights that survive the termination of this Warrant Agreement and the resignation or removal of the Warrant Agent, including but not limited to its right to indemnity hereunder. If for any reason it becomes necessary or appropriate or at the request of the Company, the predecessor Warrant Agent shall execute and deliver, at the expense of the Company, an instrument transferring to such successor Warrant Agent all the authority, powers, and rights of such predecessor Warrant Agent hereunder; and upon request of any successor Warrant Agent the Company shall make, execute, acknowledge, and deliver any and all instruments in writing for more fully and effectually vesting in and confirming to such successor Warrant Agent all such authority, powers, rights, immunities, duties, and obligations.

7.14.2. Notice of Successor Warrant Agent. In the event a successor Warrant Agent shall be appointed, the Company shall give notice thereof to the predecessor Warrant Agent and the transfer agent for the Ordinary Shares not later than the effective date of any such appointment.

7.14.3. Merger or Consolidation of Warrant Agent. Any person into which the Warrant Agent may be merged or converted or with which it may be consolidated or any person resulting from any merger, conversion or consolidation to which the Warrant Agent shall be a party or any person succeeding to the shareowner services business of the Warrant Agent or any successor Warrant Agent shall be the successor Warrant Agent under this Warrant Agreement, without any further act or deed. For purposes of this Warrant Agreement, "person" shall mean any individual, firm, corporation, partnership, limited liability company, joint venture, association, trust or other entity, and shall include any successor (by merger or otherwise) thereof or thereto.

8. Miscellaneous Provisions.

8.1. Persons Having Rights under this Warrant Agreement. Nothing in this Warrant Agreement expressed and nothing that may be implied from any of the provisions hereof is intended, or shall be construed, to confer upon, or give to, any person or corporation other than the parties hereto any right, remedy, or claim under or by reason of this Warrant Agreement or of any covenant, condition, stipulation, promise, or agreement hereof.

8.2. Examination of the Warrant Agreement. A copy of this Warrant Agreement shall be available at all reasonable times at the office of the Warrant Agent designated for such purpose for inspection by any Holder. Prior to such inspection, the Warrant Agent may require any such holder to provide reasonable evidence of its interest in the Pre-funded Warrants.

8.3. Counterparts. This Warrant Agreement may be executed in any number of original, facsimile or electronic counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

8.4. Effect of Headings. The Section headings herein are for convenience only and are not part of this Warrant Agreement and shall not affect the interpretation thereof.

9. Certain Definitions. As used herein, the following terms shall have the following meanings:

(a) ***"Trading Day"*** means any day on which the Ordinary Shares are traded on the Trading Market, or, if the Trading Market is not the principal trading market for the Ordinary Shares, then on the principal securities exchange or securities market in the United States on which the Ordinary Shares are then traded, provided that ***"Trading Day"*** shall not include any day on which the Ordinary Shares are scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Ordinary Shares are suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00 P.M., Eastern Standard Time).

(b) ***"Trading Market"*** means NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market or the New York Stock Exchange.

[*Signature Page Follows*]

IN WITNESS WHEREOF, this Warrant Agent Agreement has been duly executed by the parties hereto as of the day and year first above written.

RAIL VISION LTD.

By: _____
Name: _____
Title: _____

VSTOCK TRANSFER,LLC

By: _____
Name: _____
Title: _____

EXHIBIT A

[GLOBAL PRE-FUNDED WARRANT]

EXHIBIT B

WARRANT CERTIFICATE REQUEST NOTICE

To: _____ as Warrant Agent for _____ (the ***"Company"***)

The undersigned Holder of Ordinary Shares Purchase Pre-funded Warrants (***"Pre-funded Warrants"***) in the form of Global Pre-funded Warrants issued by the Company hereby elects to receive a Warrant Certificate evidencing the Pre-funded Warrants held by the Holder as specified below:

1. Name of Holder of Pre-funded Warrants in form of Global Pre-funded Warrants: _____

2. Name of Holder in Warrant Certificate (if different from name of Holder of Warrants in form of Global Pre-funded Warrants): _____

3. Number of Pre-funded Warrants in name of Holder in form of Global Pre-funded Warrants: _____

4. Number of Pre-funded Warrants for which Warrant Certificate shall be issued: _____

5. Number of Pre-funded Warrants in name of Holder in form of Global Pre-funded Warrants after issuance of Warrant Certificate, if any: _____

6. Warrant Certificate shall be delivered to the following address:

_____

_____

_____

_____

The undersigned hereby acknowledges and agrees that, in connection with this Warrant Exchange and the issuance of the Warrant Certificate, the Holder is deemed to have surrendered the number of Pre-funded Warrants in form of Global Pre-funded Warrants in the name of the Holder equal to the number of Pre-funded Warrants evidenced by the Warrant Certificate.

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

EXHIBIT C

AUTHORIZED REPRESENTATIVES

Name	Title	Signature
Shahar Hania	Chief Executive Officer	
Ofer Naveh	Chief Financial Officer	

Exhibit 4.5

PRE-FUNDED ORDINARY SHARES PURCHASE WARRANT

RAIL VISION LTD.

Warrant Shares: [●] Initial Exercise Date: March [●], 2022

Issuance Date: March [●], 2022

CUSIP: [●]
ISIN: [●]

THIS PRE-FUNDED ORDINARY SHARES PURCHASE WARRANT (the "Warrant") certifies that, for value received, [●]or its registered assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the "Initial Exercise Date") and until this Warrant is exercised in full (the "Termination Date") but not thereafter, to subscribe for and purchase from Rail Vision Ltd., an Israeli company (the "Company"), up to [●] Ordinary Shares (as subject to adjustment hereunder, the "Warrant Shares"). The purchase price of one Ordinary Share under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b). This Warrant shall initially be issued and maintained in the form of a security held in book-entry form and the Depository Trust Company or its nominee ("DTC") shall initially be the sole registered holder of this Warrant, subject to a Holder's right to elect to receive a Warrant in certificated form pursuant to the terms of the Warrant Agency Agreement, in which case this sentence shall not apply.

Section 1. Definitions. In addition to the terms defined elsewhere in this Warrant, the following terms have the meanings indicated in this Section 1:

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"Bid Price" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Ordinary Shares are then listed or quoted on a Trading Market, the bid price of the Ordinary Shares for the time in question (or the nearest preceding date) on the Trading Market on which the Ordinary Shares are then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Ordinary Shares for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Ordinary Shares are not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Ordinary Shares are then reported on the OTC Pink Open Market (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per Ordinary Share so reported, or (d) in all other cases, the fair market value of an Ordinary Share as determined by an independent appraiser selected in good faith by the Holders of a majority in interest of the Warrants then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

"Business Day" means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York are authorized or required by law to remain closed; provided, however, for clarification, commercial banks shall not be deemed to be authorized or required by law to remain closed due to "stay at home", "shelter-in-place", "non-essential employee" or any other similar orders or restrictions or the closure of any physical branch locations at the direction of any governmental authority so long as the electronic funds transfer systems (including for wire transfers) of commercial banks in The City of New York generally are open for use by customers on such day.

"Commission" means the United States Securities and Exchange Commission.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Ordinary Shares" means the ordinary shares of the Company, par value NIS 0.01, and any other class of securities into which such securities may hereafter be reclassified or changed.

"Ordinary Shares Equivalents" means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Ordinary Shares, including, without limitation, any debt, preferred share, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Ordinary Shares.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Registration Statement" means the Company's registration statement on Form F-1 (File No. [●]), as amended.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Subsidiary" means any subsidiary of the Company and shall, where applicable, also include any direct or indirect subsidiary of the Company formed or acquired after the date hereof.

"Trading Day" means a day on which the Ordinary Shares are traded on a Trading Market.

"Trading Market" means any of the following markets or exchanges on which the Ordinary Shares are listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange, OTCQB or OTCQX (or any successors to any of the foregoing).

"Transfer Agent" means VStock Transfer, LLC, the current transfer agent of the Company, with a mailing address of 18 Lafayette Place, Woodmere, NY 11598 and a facsimile number of 646-536-3179, and any successor transfer agent of the Company.

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Ordinary Shares are then listed or quoted on a Trading Market, the daily volume weighted average price of the Ordinary Shares for such date (or the nearest preceding date) on the Trading Market on which the Ordinary Shares are then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Ordinary Shares for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Ordinary Shares are not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Ordinary Shares are then reported on the OTC Pink Open Market (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per Ordinary Share so reported, or (d) in all other cases, the fair market value of an Ordinary Share as determined by an independent appraiser selected in good faith by the holders of a majority in interest of the Warrants then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

"Warrant Agency Agreement" means that certain warrant agency agreement, dated on or about the Initial Exercise Date, between the Company and the Warrant Agent.

"Warrant Agent" means the Transfer Agent and any successor warrant agent of the Company.

"Warrants" means this Warrant and other Pre-Funded Ordinary Shares purchase warrants issued by the Company pursuant to the Registration Statement.

Section 2. Exercise.

a) Exercise of Warrant. Subject to the provisions of Section 2(e) herein, exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company of a duly executed facsimile copy or PDF copy submitted by e-mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto as Annex A (the "Notice of Exercise"), provided, however that a Notice of Exercise shall only be deemed to have been delivered to the Company upon the delivery of the aggregate Exercise Price of the Warrant Shares specified in the applicable Notice of Exercise as specified in this Section 2(a). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(d)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the Warrant Shares specified in the applicable Notice of Exercise by wire transfer of immediately available funds or cashier's check drawn on a United States bank unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date on which the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Trading Day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

Notwithstanding the foregoing in this Section 2(a), a holder whose interest in this Warrant is a beneficial interest in certificate(s) representing this Warrant held in book-entry form through DTC (or another established clearing corporation performing similar functions), shall effect exercises made pursuant to this Section 2(a) by delivering to DTC (or such other clearing corporation, as applicable) the appropriate instruction form for exercise, complying with the procedures to effect exercise that are required by DTC (or such other clearing corporation, as applicable), subject to a Holder's right to elect to receive a Warrant in certificated form pursuant to the terms of the Warrant Agency Agreement, in which case this sentence shall not apply.

b) Exercise Price. The aggregate exercise price of this Warrant, except for a nominal exercise price of $0.001 per Warrant Share, was pre-funded to the Company on or prior to the Initial Exercise Date and, consequently, no additional consideration (other than the nominal exercise price of $0.001 per Warrant Share) shall be required to be paid by the Holder to any Person to effect any exercise of this Warrant. The Holder shall not be entitled to the return or refund of all, or any portion, of such pre-paid aggregate exercise price under any circumstance or for any reason whatsoever, including in the event this Warrant shall not have been exercised prior to the Termination Date. The remaining unpaid exercise price per Ordinary Share under this Warrant shall be $0.001, subject to adjustment hereunder (the "Exercise Price").

c) Cashless Exercise. If at the time of exercise hereof there is no effective registration statement registering, or the prospectus contained therein is not available for the issuance of the Warrant Shares to the Holder, then this Warrant may also be exercised, in whole or in part, at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive a number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

(A) = as applicable: (i) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise if such Notice of Exercise is (1) both executed and delivered pursuant to Section 2(a) hereof on a day that is not a Trading Day or (2) both executed and delivered pursuant to Section 2(a) hereof on a Trading Day prior to the opening of "regular trading hours" (as defined in Rule 600(b)(64) of Regulation NMS promulgated under the federal securities laws) on such Trading Day, (ii) at the option of the Holder, either (y) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise or (z) the Bid Price of the Ordinary Shares on the principal Trading Market as reported by Bloomberg L.P. as of the time of the Holder's execution of the applicable Notice of Exercise if such Notice of Exercise is executed during "regular trading hours" on a Trading Day and is delivered within two (2) hours thereafter (including until two (2) hours after the close of "regular trading hours" on a Trading Day) pursuant to Section 2(a) hereof or (iii) the VWAP on the date of the applicable Notice of Exercise if the date of such Notice of Exercise is a Trading Day and such Notice of Exercise is both executed and delivered pursuant to Section 2(a) hereof after the close of "regular trading hours" on such Trading Day;

(B) = the Exercise Price of this Warrant, as adjusted hereunder; and

(X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

If Warrant Shares are issued in such a cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the registered characteristics of the Warrants being exercised. The Company agrees not to take any position contrary to this Section 2(c).

d) Mechanics of Exercise.

i. Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder's or its designee's balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("DWAC") if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder or (B) this Warrant is being exercised via cashless exercise, and otherwise by physical delivery of a certificate, registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the address specified by the Holder in the Notice of Exercise by the date that is the earliest of (i) two (2) Trading Days after the delivery to the Company of the Notice of Exercise, (ii) one (1) Trading Day after delivery of the aggregate Exercise Price to the Company and (iii) the number of Trading Days comprising the Standard Settlement Period after the delivery to the Company of the Notice of Exercise (such date, the "Warrant Share Delivery Date"). Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares; provided, that payment of the aggregate Exercise Price (other than in the case of a cashless exercise) is received within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period following delivery of the Notice of Exercise. If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to a Notice of Exercise by the Warrant Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each $1,000 of Warrant Shares subject to such exercise (based on the VWAP of the Ordinary Shares on the date of the applicable Notice of Exercise), $10 per Trading Day (increasing to $20 per Trading Day on the fifth (5th) Trading Day after such liquidated damages begin to accrue) for each Trading Day after such Warrant Share Delivery Date until such Warrant Shares are delivered or Holder rescinds such exercise. The Company agrees to maintain a transfer agent that is a participant in the FAST program so long as this Warrant remains outstanding and exercisable. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the Ordinary Shares as in effect on the date of delivery of the Notice of Exercise. Notwithstanding the foregoing, with respect to any Notice(s) of Exercise delivered on or prior to 12:00 p.m. (New York City time) on the Initial Exercise Date, which may be delivered at any time after the time of execution of the Underwriting Agreement, dated February 1, 2022 between the Company and Aegis Capital Corp., the Company agrees to deliver the Warrant Shares subject to such notice(s) by 4:00 p.m. (New York City time) on the Initial Exercise Date.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

iv. Compensation for Buy-In on Failure to Timely Deliver Warrant Shares Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares in accordance with the provisions of Section 2(d)(i) above pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, Ordinary Shares to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the Ordinary Shares so purchased exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of Ordinary Shares that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Ordinary Shares having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted exercise of Ordinary Shares with an aggregate sale price giving rise to such purchase obligation of $10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder $1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver Ordinary Shares upon exercise of the Warrant as required pursuant to the terms hereof.

v. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

vi. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto as Annex B duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

vii. Closing of Books. The Company will not close its shareholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

e) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates (such Persons, "Attribution Parties")), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of Ordinary Shares beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of Ordinary Shares issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of Ordinary Shares which would be issuable upon (i) exercise of the remaining, unexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Ordinary Shares Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) 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 Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding Ordinary Shares, a Holder may rely on the number of outstanding Ordinary Shares as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of Ordinary Shares outstanding. Upon the written or oral request of a Holder, the Company shall within one Trading Day confirm orally and in writing to the Holder the number of Ordinary Shares then outstanding. In any case, the number of outstanding Ordinary Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding Ordinary Shares was reported. The "Beneficial Ownership Limitation" shall be 4.99% (or, upon election by a Holder prior to the issuance of any Warrants, 9.99%) of the number of Ordinary Shares outstanding immediately after giving effect to the issuance of Ordinary Shares issuable upon exercise of this Warrant. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of Ordinary Shares outstanding immediately after giving effect to the issuance of Ordinary Shares upon exercise of this Warrant held by the Holder and the provisions of this Section 2(e) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

Section 3. Certain Adjustments.

a) Share Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a dividend or otherwise makes a distribution or distributions on its Ordinary Shares or any other equity or equity equivalent securities payable in Ordinary Shares (which, for avoidance of doubt, shall not include any Ordinary Shares issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding Ordinary Shares into a larger number of shares, (iii) combines (including by way of reverse share split) outstanding Ordinary Shares into a smaller number of shares, or (iv) issues by reclassification of Ordinary Shares any shares of capital share of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of Ordinary Shares (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of Ordinary Shares outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Ordinary Shares Equivalents or rights to purchase share, warrants, securities or other property pro rata to all (or substantially all) of the record holders of any class of Ordinary Shares (the "Purchase Rights"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of Ordinary Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Ordinary Shares are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such Ordinary Shares as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

c) Pro Rata Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to all (or substantially all) of holders of Ordinary Shares, by way of return of capital or otherwise (including, without limitation, any distribution of cash, share or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "Distribution"), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of Ordinary Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of Ordinary Shares are to be determined for the participation in such Distribution (provided, however, to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any Ordinary Shares as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

d) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company or any Subsidiary, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Ordinary Shares are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Ordinary Shares, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Ordinary Shares or any compulsory share exchange pursuant to which the Ordinary Shares are effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a share or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off, merger or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding Ordinary Shares (not including any Ordinary Shares held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such share or share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of Ordinary Shares of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of Ordinary Shares for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Ordinary Share in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Ordinary Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant in accordance with the provisions of this Section 3(d) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital share of such Successor Entity (or its parent entity) equivalent to the Ordinary Shares acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital share (but taking into account the relative value of the Ordinary Shares pursuant to such Fundamental Transaction and the value of such shares of capital share, such number of shares of capital share and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant with the same effect as if such Successor Entity had been named as the Company herein.

e) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of Ordinary Shares deemed to be issued and outstanding as of a given date shall be the sum of the number of Ordinary Shares (excluding treasury shares, if any) issued and outstanding.

f) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by facsimile or email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Ordinary Shares, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Ordinary Shares, (C) the Company shall authorize the granting to all holders of the Ordinary Shares rights or warrants to subscribe for or purchase any share capital of any class or of any rights, (D) the approval of any shareholders of the Company shall be required in connection with any reclassification of the Ordinary Shares, any consolidation or merger to which the Company (or any of its Subsidiaries) is a party, any sale or transfer of all or substantially all of its assets, or any compulsory share exchange whereby the Ordinary Shares are converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by facsimile or email to the Holder at its last facsimile number or email address as it shall appear upon the Warrant Register of the Company, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice (unless such information is filed with the Commission, in which case a notice shall not be required) stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Ordinary Shares of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Ordinary Shares of record shall be entitled to exchange their Ordinary Shares for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided in this Warrant constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Report on Form 6-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

a) Transferability. This Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three (3) Trading Days of the date on which the Holder delivers an assignment form to the Company assigning this Warrant in full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the initial issuance date of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Warrant Agent shall register this Warrant, upon records to be maintained by the Warrant Agent for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company and the Warrant Agent may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

Section 5. Miscellaneous.

a) No Rights as Shareholder until Exercise; No Settlement in Cash. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a shareholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3. Without limiting the rights of a Holder to receive Warrant Shares on a "cashless exercise" pursuant to Section 2(c) or to receive cash payments contemplated pursuant to Sections 2(d)(i) and 2(d)(iv), in no event, including if the Company is for any reason unable to issue and deliver Warrant Shares upon exercise of this Warrant as required pursuant to the terms hereof, shall the Company be required to net cash settle an exercise of this Warrant or cash settle in any other form.

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any share certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (including the posting of any bond), and upon surrender and cancellation of such Warrant or share certificate, if mutilated, the Company will make and deliver a new Warrant or share certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or share certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

d) Authorized Shares.

The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Ordinary Shares a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Ordinary Shares may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and non-assessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation 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 of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Warrant (whether brought against a party hereto or their respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Warrant and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If either party shall commence an action, suit or proceeding to enforce any provisions of this Warrant, the prevailing party in such action, suit or proceeding shall be reimbursed by the other party for their reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding. Notwithstanding the foregoing, nothing in this paragraph shall limit or restrict the federal district court in which a Holder may bring a claim under the federal securities laws.

f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, and the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.

g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. No provision of this Warrant shall be construed as a waiver by the Holder of any rights which the Holder may have under the federal securities laws and the rules and regulations of the Commission thereunder. Without limiting any other provision of this Warrant, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder including, without limitation, any Notice of Exercise, shall be in writing and delivered personally, by e-mail, or sent by a nationally recognized overnight courier service, addressed to the Company, at 15 Ha'Tidhar St, Ra'anana, 4366517 Israel, Attention: Chief Executive Officer, e-mail address: shahar@railvision.io, or such other facsimile number, email address or address as the Company may specify for such purposes by notice to the Holders. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by e-mail, or sent by a nationally recognized overnight courier service addressed to each Holder at the e-mail address or address of such Holder appearing on the books of the Company. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the time of transmission, if such notice or communication is delivered via e-mail at the e-mail address set forth in this Section prior to 5:30 p.m. (New York City time) on any date, (ii) the next Trading Day after the time of transmission, if such notice or communication is delivered via e-mail at the e-mail address set forth in this Section on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Report on Form 6-K.

i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Ordinary Shares or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company, on the one hand, and the Holder, on the other hand.

m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

o) Warrant Agency Agreement. If this Warrant is held in global form through DTC (or any successor depositary), this Warrant is issued subject to the Warrant Agency Agreement. To the extent any provision of this Warrant conflicts with the express provisions of the Warrant Agency Agreement, the provisions of this Warrant shall govern and be controlling.

****

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

RAIL VISION LTD.

By: _____
Shahar Hania
Chief Executive Officer

ANNEX A
NOTICE OF EXERCISE

TO: RAIL VISION LTD.

(1) The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

☐ in lawful money of the United States; or

☐ if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

_____

The Warrant Shares shall be delivered to the following DWAC Account Number:

_____

_____

_____

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

ANNEX B
ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name:

(Please Print)

Address:

(Please Print)

Phone Number: _____

Email Address: _____

Dated: _____ __, _____

Holder's Signature:

Holder's Address:

(Signature Guaranteed): Date: _____, _____

Signature to be guaranteed by an authorized officer of a chartered bank, trust company or medallion guaranteed by an investment dealer who is a member of a recognized stock exchange.

Exhibit 5.1

SHIBOLET LAW FIRM | מגדל המוזיאון - רחוב ברקוביץ 4, תל אביב 6423806 | טל. 03.7778333 | פקס. 03.7778444 | www.shibolet.com

March 24, 2022

RailVision Ltd.
Ha'Tidhar St 15
Ra'anana, 4366517
Israel

Re: **Rail Vision Ltd. – Registration Statement**

Ladies and Gentlemen:

We have acted as Israeli counsel for Rail Vision Ltd. (the "**Company**"), an Israeli company, in connection with the registration by the Company of: (i) units, each consisting of (a) one ordinary share, NIS 0.01 par value each, of the Company (the "**Ordinary Shares**"), and (b) one warrant to purchase one Ordinary Share (the "**Warrant**"); (ii) pre-funded units, each consisting of (a) one pre-funded warrant to purchase one Ordinary Share (the "**Pre-Funded Warrant**"), and (b) one Warrant; (iii) warrants to purchase Ordinary Shares (the "**Representative Warrants**") issuable to the representative of the underwriter; and (iv) Ordinary Shares underlying the Warrants, Pre-Funded Warrants and Representative Warrants, in connection with an underwritten public offering of the Company (the "**Offering**").

In connection with this opinion, we have examined the originals, or photocopies or copies, certified or otherwise identified to our satisfaction, of the registration statement on Form F-1 (File No. 333-262854) (as amended, the "**Registration Statement**") filed by the Company with the United States Securities and Exchange Commission ("**SEC**") and as to which this opinion is filed as an exhibit, the exhibits to the Registration Statement, including the form of Underwriting Agreement to be entered into between the Company and Aegis Capital Corp., draft copies of the Company's amended and restated articles of association, to be in effect immediately prior to the Closing of the Offering and resolutions of the Company's Board of Directors (the "**Board**") and general meeting of the shareholders which have heretofore been approved and relate to the Offering, and such statutes, regulations, corporate records, documents, certificates and such other instruments that we have deemed relevant and necessary for the basis of our opinions hereinafter expressed.

In such examination, we have assumed: (i) the authenticity of original documents and the genuineness of all signatures; (ii) the conformity to the originals of all documents submitted to us as copies; (iii) the truth, accuracy and completeness of the information, representations and warranties contained in the corporate records, documents, certificates and instruments we have reviewed; (iv) the due execution and delivery of all documents where due execution and delivery are a prerequisite to the effectiveness thereof; and (v) the legal capacity of all natural persons.

We are members of the Israel Bar and we express no opinion as to any matter relating to the laws of any jurisdiction other than the laws of the State of Israel and have not, for the purpose of giving this opinion, made any investigation of the laws of any other jurisdiction than the State of Israel.

SHIBOLET
LAW FIRM

מגדל המוזיאון - רחוב ברקוביץ 4,
תל אביב 6423806 | טל. 03.7778333
www.shibolet.com | 03.7778444 .פקס

Based upon and subject to the foregoing, we are of the opinion that (i) upon payment to the Company of the consideration in such amount and form as shall be determined by the Board or by an authorized committee thereof, the Ordinary Shares, when issued and sold in the Offering as described in the Registration Statement, will be duly and validly issued, fully paid and non-assessable; and (ii) the Ordinary Shares underlying the Warrants, Pre-Funded Warrants and Representative Warrants, when issued and sold by the Company and delivered by the Company against receipt of the exercise price therefor as shall be determined by the Board or an authorized committee thereof, in accordance with and in the manner described in the Registration Statement and the Warrants, Pre-Funded Warrants and the Representative Warrants, will be validly issued, fully paid and non-assessable, in each case, including any additional Ordinary Shares (including Ordinary Shares underlying the Warrants, Pre-Funded Warrants and Representative Warrants) registered pursuant to Rule 462(b) under the United States Securities Act of 1933, as amended (the "**Securities Act**").

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the use of our name wherever it appears in the Registration Statement. In giving such consent, we do not believe that we are "experts" within the meaning of such term as used in the Securities Act, or the rules and regulations of the SEC issued thereunder with respect to any part of the Registration Statement, including this opinion as an exhibit or otherwise**.**

We further consent to the incorporation by reference of this letter and consent into any registration statement filed pursuant to Rule 462(b) under the Securities Act with respect to the Ordinary Shares.

This opinion letter is rendered as of the date hereof and we disclaim any obligation to advise you of facts, circumstances, events or developments that may be brought to our attention after the effective date of the Registration Statement that may alter, affect or modify the opinions expressed herein.

Very truly yours,

/s/ Shibolet & Co.
Shibolet & Co.

Exhibit 5.2

March 24, 2022

Rail Vision Ltd.
15 Ha'Tidhar St.,
Ra'anana, 4366517 Israel

Re: Registration Statement on Form F-1
Ladies and Gentlemen:

This opinion is furnished to you in connection with the Registration Statement on Form F-1 (Registration No. 333-262854) (as amended to date, the "Registration Statement") filed by Rail Vision Ltd., an Israeli company (the "Company"), with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"), for the registration (including in connection with an over-allotment option granted to the Underwriter (as defined below)) and proposed maximum aggregate offering price by the Company of up to $17,750,000 of: (A) units (the "Units"), with each Unit consisting of either (1) (i) one ordinary share, par value NIS 0.01, of the Company (the "Ordinary Shares") and (ii) one warrant (the "Regular Warrant") to purchase one Ordinary Share, or (2) (i) a pre-funded warrant (the "Pre-Funded Warrant" and together with the Regular Warrants, the "Warrants") to purchase one Ordinary Share and (ii) one Regular Warrant; (B) warrants (the "Underwriter Warrants") to purchase Ordinary Shares issued to the Underwriters (as defined below); and (C) the Ordinary Shares underlying the Warrants and Underwriter Warrants (together with the Units, Warrants, and Underwriter Warrants, the "Securities"). The Securities are being registered by the Company, which has engaged Aegis Capital Corp. (the "Underwriter") to act as the underwriter in connection with a public offering of the Company's Units (the "Offering").

We are acting as U.S. securities counsel for the Company in connection with the Registration Statement. We have examined signed copies of the Registration Statement and have also examined and relied upon minutes of meetings of the Board of Directors of the Company as provided to us by the Company, the articles of association of the Company, as restated and/or amended to date, and such other documents as we have deemed necessary for purposes of rendering the opinion hereinafter set forth.

In our examination of the foregoing documents, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as copies, the authenticity of the originals of such latter documents and the legal competence of all signatories to such documents. Other than our examination of the documents indicated above, we have made No other examination in connection with this opinion. Because the Warrants contain provisions stating that they are to be governed by the laws of the State of New York, we are rendering this opinion as to New York law. We are admitted to practice in the State of New York, and we express No opinion as to any matters governed by any law other than the law of the State of New York. With respect to the Securities being duly and validly issued, fully paid and non-assessable, we have relied on the opinion of Shibolet & Co. filed as an exhibit to the Registration Statement as filed with the Commission.

Based upon and subject to the foregoing, we are of the opinion that, when the Registration Statement has become effective under the Securities Act, (i) each of the Units, each of the Warrants comprising the Units, and each of the Ordinary Shares underlying the Warrants and the Underwriter Warrants, if and when issued and paid for in accordance with the terms of the Offering and assuming the due authorization, execution and delivery of the Securities by the Company, will be valid and binding obligations of the Company enforceable against the Company in accordance with their terms and (ii) the Underwriter Warrants, if and when issued and paid for in accordance with the terms of the Offering, will be valid and binding obligations of the Company enforceable against the Company in accordance with their terms.

The opinion set forth herein is rendered as of the date hereof, and we assume No obligation to update such opinion to reflect any facts or circumstances which may hereafter come to our attention or any changes in the law which may hereafter occur (which may have retroactive effect). In addition, the foregoing opinion is qualified to the extent that (a) enforceability may be limited by and be subject to general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law (including, without limitation, concepts of notice and materiality), and by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' and debtors' rights generally (including, without limitation, any state or federal law in respect of fraudulent transfers); and (b) No opinion is expressed herein as to compliance with or the effect of federal or state securities or blue sky laws.

We hereby consent to the filing of this opinion as Exhibit 5.2 to the Registration Statement and to the reference to this firm under the caption "Legal Matters" in the Registration Statement and in any Registration Statement pursuant to Rule 462(b) under the Securities Act. 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 Commission.

McDermott Will & Emery

One Vanderbilt Avenue New York NY 10017-3852 Tel +1 212 547 5400 Fax +1 212 547 5444
US practice conducted through McDermott Will & Emery LLP.

Very truly yours,

/s/ McDermott Will & Emery LLP
McDermott Will & Emery LLP

Exhibit 10.1

FORM OF INDEMNIFICATION AGREEMENT

To: _____

This Indemnification Agreement ("Indemnification Agreement") is being entered into effective as of _____ ____, 2022, pursuant to the resolutions of the Board of Directors of Rail Vision Ltd., a company organized under the laws of the state of Israel (the "Company" and the "Board" respectively) dated _____, 2022, as approved by the Company's shareholders on _____, 2022.

It is in the best interest of the Company to retain and attract as directors and/or officers the most capable persons available and such persons are becoming increasingly reluctant to serve in companies unless they are provided with adequate protection through insurance and indemnification in connection with such service.

You are or have been appointed as a director of the Company, and in order to enhance your service to the Company in an effective manner, the Company desires to provide hereunder for your indemnification to the fullest extent permitted by law. In consideration of your continuing to serve the Company, the Company hereby agrees as follows:

1. The Company hereby undertakes to indemnify you to the maximum extent permitted by the Companies Law – 1999 (the "Companies Law") in respect of the following expenses or liabilities imposed on, or incurred by, you in consequence of any act performed or omission committed by you in your capacity as an "Office Holder" (such term shall have herein the meaning assigned to it in the Companies Law) of the Company (including your service, at the request of the Company, as an officer, director, employee or board observer of any other company controlled directly or indirectly by the Company (a "Subsidiary") or in which the Company holds shares (an "Affiliate"));

1.1 a monetary liability imposed on you pursuant to a court judgment in favor of a third party, including pursuant to any settlement confirmed as judgment or to an arbitration decision approved by a competent court; or

1.2 reasonable litigation expenses, including attorney's fees, which were incurred by you as a result of an investigation or proceeding conducted against you 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 you and without the imposition on you 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 you but with the imposition on you of a "monetary obligation in lieu of a criminal proceeding" for an offense that does not require a proof of *mens rea* element; or

1.3 reasonable litigation expenses, including attorneys' fees, incurred by you, or which were imposed on you by court, (i) in a proceeding instituted against you by the Company or on its behalf or by a third party, or (ii) in a criminal indictment of which you were acquitted, or (iii) in a criminal indictment of which you were convicted of an offense which does not require proof of *mens rea* element.

2. Notwithstanding the aforesaid, the Company will not indemnify you for any amount you may be obligated to pay in respect of:

2.1 a breach of your duty of loyalty to the Company or a Subsidiary or Affiliate, except, to the extent permitted by the Companies Law, for a breach of a duty of loyalty to the Company or a Subsidiary while acting in good faith and having reasonable cause to assume that such act would not prejudice the interests of the Company or a Subsidiary or Affiliate;

2.2 a willful breach of your duty of care or reckless disregard for the circumstances or to the consequences of a breach of your duty of care to the Company or a Subsidiary or an Affiliate;

2.3 an action taken or omission by you with the intent of unlawfully realizing personal gain; and

2.4 a fine or penalty imposed upon you for an offense; and

2.5 with respect to proceedings or claims initiated or brought voluntarily by you against the Company or a Subsidiary or Affiliate, other than by way of defense or by way of third party notice to the Company or a Subsidiary or by way of countersuit in connection with claims brought against you.

3. To the fullest extent permitted by law, the Company will, following receipt by the Company of your written request therefor, make available all amounts payable to you in accordance with Section 1 above on the date on which such amounts are first payable by you ("Time of Indebtedness"), and with respect to items referred to in Sections 1.2 and 1.3 above, even prior to the time on which the applicable court renders its decision, provided however, that advances given to cover legal expenses in criminal proceedings will be repaid by you to the Company if you are found guilty of a crime which requires proof of *mens rea* (criminal intent). Other advances will be repaid by you to the Company if it is determined by a court of competent jurisdiction that you are not lawfully entitled to such indemnification as authorized hereby.

As part of the aforementioned undertaking, the Company will make available to you any security or guarantee that you may be required to post in accordance with an interim decision given by a court or an arbitrator, including for the purpose of substituting liens imposed on your assets.

4. The Company will indemnify you even if at the relevant Time of Indebtedness you are no longer an Office Holder of the Company, provided that the obligations with respect to which you will be indemnified hereunder are in respect of actions taken by you while you were an Office Holder of the Company as aforesaid, and in such capacity.

5. The undertaking of the Company set forth in Section 1.1 shall be limited as follows:

5.1. to matters that result from or are connected or otherwise related to events or circumstances set forth in Schedule A hereto, which are deemed by the Board, based on the current activity of the Company, to be foreseeable as of the date hereof; and

5.2. the maximum amount for which the Company undertakes to indemnify you hereunder for each of the matters and circumstances described herein (or otherwise pursuant to this Indemnification Agreement), shall not exceed an amount equal to shall not exceed the greater of $8,000,000 and 25% of the Company's Determining Equity, in the aggregate for all of the matters and circumstances described, calculated with respect to each director of the Company.

For that purpose, the "**Company's Determining Equity**" means its equity according to its most recent audited or reviewed financial statements, as the case may be, as of the date of actual payment of indemnification.

Notwithstanding the foregoing, the total obligation of the Company to all Office Holders, in the aggregate, including all then pending claims for indemnification made by all directors or officers of the Company, whether under law, agreement or the articles of association of the Company, will not exceed the greater of $8,000,000 and 25% of the Company's Determining Equity, and if the total of all such claims exceed such amount (or the remaining balance of such amount at the relevant time), then the limit amount per each such indemnitee shall be pro rated among all such indemnitees proportionately to the proven indemnifiable amount of each respective indemnitee out of the aggregate indemnifiable amount of all proven claims by all such indemnitees.

6. Subject to the limitations of Section 5 above and Section 7 below, the indemnification hereunder will, in each case, cover all sums of money (100%) that you will be obligated to pay, in those circumstances for which indemnification is permitted under the law and under this Indemnification Agreement.

7. The Company will not indemnify you for any liability with respect to which you have received payment by virtue of an insurance policy or another indemnification agreement other than for amounts which are in excess of the amounts actually paid to you pursuant to any such insurance policy or other indemnity agreement (including deductible amounts not covered by insurance policies), within the limits set forth in Section 5 above. The Company will be entitled to receive any amount collected by you from a third party in connection with liabilities actually indemnified hereunder, up to the amount actually paid to you by the Company as indemnification hereunder, to be transferred by you to the Company within fifteen (15) days following the receipt of the said amount.

8. In all indemnifiable circumstances, indemnification will be subject to the following:

8.1 You shall promptly notify the Company in writing of any legal proceedings initiated against you and of all possible or threatened legal proceedings for which you may seek indemnification hereunder, without delay, and in any event within seven (7) days, following your first becoming aware thereof, provided, however, that your failure to notify the Company as aforesaid shall not derogate from your right to be indemnified as provided herein except and to the extent that such failure to provide notice adversely prejudices the Company's ability to defend against such action or to conduct any directly related legal proceeding. You shall deliver to the Company, or to such person as it shall advise you, without delay all documents you receive in connection with these proceedings or possible or threatened proceedings. Notice to the Company shall be directed to the Chief Executive Officer of the Company (or in the case of a notice from the Chief Executive Officer, to the Chairman of the Company) at the address shown in the signature page of this Indemnification Agreement (or at such other address as the Company shall advise you).

Similarly, you shall advise the Company on an ongoing and current basis concerning all events which you suspect may give rise to the initiation of legal proceedings against you in connection with your actions or omissions as an Office Holder of the Company for which you may seek indemnification hereunder.

8.2 Other than with respect to proceedings that have been initiated against you by the Company or in its name, the Company shall be entitled to undertake the conduct of your defense in respect of such legal proceedings and/or to hand over the conduct thereof to any attorney which the Company may choose for that purpose, except to an attorney who is not, upon reasonable grounds, acceptable to you. The Company shall notify you of any such decision to defend with ten (10) calendar days of receipt of notice of any such proceeding.

The Company or the attorney as aforesaid shall be entitled, within the context of the conduct as aforesaid, to conclude such proceedings, all as they shall see fit, including by way of settlement.

Notwithstanding the foregoing, in the case of criminal proceedings, the Company or the attorneys as aforesaid will not have the right to plead guilty in your name or to agree to a plea-bargain in your name without your consent. Furthermore, in a civil proceeding (whether before a court or as a part of a compromise arrangement), the Company and/or its attorneys will not have the right to admit to any occurrences that are not indemnifiable pursuant to this Indemnification Agreement and/or pursuant to law, without your consent. However, the aforesaid will not prevent the Company or its attorneys as aforesaid, with the approval of the Company, to come to a financial arrangement with a plaintiff in a civil proceeding or to consent to the entry of any judgment against you or enter into any settlement, arrangement or compromise, in each case without your consent, so long as such arrangement, judgment, settlement or compromise: (i) does not include an admission of your fault, (ii) is fully indemnifiable pursuant to this Indemnification Agreement or pursuant to law and (iii) further provides, as an unconditional term thereof, the full release of you from all liability and limitation in respect of such proceeding. This paragraph shall not apply to a proceeding brought by you under Section 8.7 below.

8.3 You will fully cooperate with the Company and/or any attorney as aforesaid in every reasonable way as may be required of you within the context of their conduct of such legal proceedings, including but not limited to the execution of power(s) of attorney and other documents required to enable the Company or its attorney as aforesaid to conduct your defense in your name, and to represent you in all matters connected therewith, in accordance with the aforesaid, provided that the Company shall cover all reasonable costs incidental thereto such that you will not be required to pay the same or to finance the same yourself; and provided, further, that you shall not be required to take any action that would reasonably prejudice your defense in connection with any indemnifiable proceeding.

8.4 Notwithstanding the provisions of Sections 8.2 and 8.3 above, (i) if in a proceeding to which you are a party by reason of your status as an Office Holder of the Company, the named parties to any such proceeding include both you and the Company or any Subsidiary or Affiliate, and joint representation is inappropriate under applicable standards of professional conduct due to a conflict of interest or potential conflict of interest (including the availability to the Company and its Subsidiary or Affiliate, on the one hand, and you, on the other hand, of different or inconsistent defenses or counterclaims) that exists between you and the Company, or (ii) if the Company fails to assume the defense of such proceeding in a timely manner, or (iii) if the Company refers the conduct of your defense to an attorney who is not, upon reasonable grounds, acceptable to you, you shall be entitled to be represented by separate legal counsel, which may represent other persons similarly situated, of the Company's choice and reasonably acceptable to you and such other persons' choice, at the expense of the Company. In addition, if the Company fails to comply with any of its material obligations under this Indemnification Agreement or in the event that the Company or any other person takes any action to declare this Indemnification Agreement void or unenforceable, or institutes any action, suit or proceeding to deny or to recover from you the benefits intended to be provided to you hereunder, except with respect to such actions, suits or proceedings brought by the Company that are resolved in favor of the Company, you shall have the right to retain counsel of your choice, and reasonably acceptable to the Company and at the expense of the Company, to represent you in connection with any such matter.

8.5 If, in accordance with Section 8.2 (but subject to Section 8.4), the Company has taken upon itself the conduct of your defense, you shall have the right to employ counsel in any such action, suit or proceeding, who shall fully update, and be fully updated by, the Company on the defense procedure and shall consult with, and be consulted with by, the Company and the attorney conducting the legal defense on behalf of the Company, but the fees and expenses of such counsel, incurred after the assumption by the Company of the defense thereof, shall be at your expense and the Company will have no liability or obligation pursuant to this Indemnification Agreement or the above resolutions to indemnify you for any legal expenses, including any legal fees, that you may expend in connection with your defense, unless the Company shall agree to such expenses; in which event all reasonable fees and expenses of your counsel shall be borne by the Company to the extent so agreed to by the Company.

8.6 The Company will have no liability or obligation pursuant to this Indemnification Agreement to indemnify you for any amount expended by you pursuant to any compromise or settlement agreement reached in any suit, demand or other proceeding as aforesaid without the Company's consent to such compromise or settlement, which consent shall not be unreasonably withheld.

8.7 If required by law, the Company's authorized organs will consider the request for indemnification and the amount thereof and will determine if you are entitled to indemnification and the amount thereof. In the event that you make a request for payment of an amount of indemnification hereunder or a request for an advancement of indemnification expenses hereunder and the Company fails to determine your right to indemnification hereunder or fails to make such payment or advancement, you may petition any court which has jurisdiction to enforce the Company's obligations hereunder. The Company agrees to reimburse you in full for any reasonable expenses incurred by you in connection with investigating, preparing for, litigating, defending or settling any action brought by you under the immediately preceding sentence or otherwise in enforcing this Indemnification Agreement, except where such action or any claim or counterclaim in connection therewith is resolved in favor of the Company.

8.8 Neither the Company nor any of its agents, employees, directors or officers shall make any statement to the public or to any other person regarding any settlement of claims made pursuant to this Indemnification Agreement against you that would in any manner cast any negative light, inference or aspersion against you.

8.9 By signing this Indemnification Agreement you hereby accept that you shall not make any statement to the public or to any other person regarding any settlement of claims made pursuant to this Indemnification Agreement against you or the Company that would in any manner cast any negative light, inference or aspersion against the Company, and that you will keep the terms of such settlement confidential.

9. The Company hereby exempts you, to the fullest extent permitted by law, from any liability for damages caused as a result of a breach of your duty of care to the Company, provided that in no event shall you be exempt with respect to any actions listed in Section 2 above or for a breach of your duty of care in connection with a Distribution (as defined in the Companies Law).

10. If for the validation of any of the undertakings in this Indemnification Agreement, any act, resolution, approval or other procedure is required, the Company undertakes to cause them to be done or adopted in a manner which will enable the Company to fulfill all its undertakings as aforesaid.

11. Nothing contained in this Indemnification Agreement shall derogate from the Company's right (but in no way obligation) to indemnify you *post factum* for any amounts which you may be obligated to pay as set forth in Section 1 above without regard to the limitations set forth in Section 5 above. Your rights of indemnification hereunder shall not be deemed exclusive of any other rights you may have under the Company's articles of association or applicable law or otherwise.

12. If any undertaking included in this Indemnification Agreement is held invalid or unenforceable, such invalidity or unenforceability will not affect any of the other undertakings which will remain in full force and effect. Furthermore, if such invalid or unenforceable undertaking may be modified or amended so as to be valid and enforceable as a matter of law, such undertaking will be deemed to have been modified or amended, and any competent court or arbitrator is hereby authorized to modify or amend such undertaking, so as to be valid and enforceable to the maximum extent permitted by law.

13. This Indemnification Agreement and the agreements herein shall be governed by and construed and enforced in accordance with the laws of the State of Israel, without regard to the rules of conflict of laws, and any dispute arising from or in connection with this Indemnification Agreement is hereby submitted to the sole and exclusive jurisdiction of the competent courts in Tel Aviv, Israel.

14. This Indemnification Agreement cancels and replaces any preceding letter of indemnification or arrangement for indemnification that may have been issued to you by the Company. Notwithstanding the foregoing, the indemnification obligation set forth in this Indemnification Agreement will also apply, subject to the terms, conditions and limitations set forth in this Indemnification Agreement, with respect to actions committed, in your capacity as an Office Holder of the Company, during the period prior to the date of this Indemnification Agreement.

15. Neither the settlement nor termination of any proceeding nor the failure of the Company to award indemnification or to determine that indemnification is payable shall create an adverse presumption that you are not entitled to indemnification hereunder. In addition, the termination of any proceeding by judgment or order (unless such judgment or order provides so specifically) or settlement, shall not create a presumption that you did not act in good faith and in a manner which you reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal action or proceeding, had reasonable cause to believe that your action was unlawful.

16. This Indemnification Agreement shall be (a) binding upon all successors and assigns of the Company (including any transferee of all or a substantial portion of the business, stock and/or assets of the Company and any direct or indirect successor by merger or consolidation or otherwise by operation of law), and (b) binding on and shall inure to the benefit of your heirs, personal representatives, executors and administrators. This Indemnification Agreement shall continue for your benefit and your heirs', personal representatives', executors' and administrators' benefit after you cease to be a director or Office Holder of the Company.

17. Except with respect to changes in the governing law which expand your right to be indemnified by the Company, no supplement, modification or amendment of this Indemnification Agreement shall be binding unless executed in writing by each of the parties hereto. No waiver of any of the provisions of this Indemnification Agreement shall be deemed or shall constitute a waiver of any other provisions of this Indemnification Agreement (whether or not similar), nor shall such waiver constitute a continuing waiver. Any waiver shall be in writing.

18. All notices and other communications required or permitted under this Indemnification Agreement shall be in writing, shall be effective (i) if mailed, three (3) business days after mailing (unless mailed abroad, in which case it shall be effective 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 facsimile, upon transmission and electronic (or other) confirmation of receipt or (if transmitted and received on a non-business day) on the first business day following transmission and electronic (or other) confirmation of receipt and (iv) if sent by email, on the date of transmission or (if transmitted and received on a non-business day) on the first business day following transmission, except where a notice is received stating that such mail has not been successfully delivered.

The Board has determined, based on the current activity of the Company, that the amount stated in Section 5 is reasonable and that the events listed in Schedule A are reasonably anticipated.

Kindly sign and return the enclosed copy of this Indemnification Agreement to acknowledge your agreement to the contents hereof.

[Signature Page to Follow]

Sincerely yours,

Rail Vision Ltd.

By: _____
Name: _____
Title: _____

Accepted and agreed to:

_____
Name: _____, director

Schedule A

All references in this schedule to the "Company" shall be deemed to refer to a Subsidiary or Affiliate as well, to the extent that your service as an officer, director, employee or board observer of the Subsidiary or Affiliate is at the request of the Company in the circumstances described in the preface of Section 1 to the Indemnification Agreement.

1. The offering of securities by the Company and/or by a shareholder to the public and/or to private investors or the offer by the Company to purchase securities from the public and/or from private investors or other holders pursuant to a prospectus, agreement, notice, report, tender and/or other proceeding, whether in Israel or abroad;

2. Occurrences in connection with investments the Company make in other corporations whether before and/or after the investment is made, entering into the transaction, the execution, development and monitoring thereof, including actions taken by you in the name of the Company as an Office Holder and/or board observer of the corporation which is the subject of the transaction and the like;

3. The sale, purchase and holding of negotiable securities or other investments for or in the name of the Company;

4. Actions in connection with the merger of the Company with or into another entity;

5. Actions in connection with the sale of the operations and/or business, or part thereof, of the Company;

6. Without derogating from the generality of the above, actions in connection with the purchase or sale of companies, legal entities or assets, and the division or consolidation thereof;

7. Actions concerning the approval of transactions of the Company with officers and/or directors and/or holders of controlling interests in the Company, and any other transactions referred to in Section 270 of the Companies Law;

8. Actions taken in connection with labor relations and/or employment matters in the Company and trade relations of the Company, including with employees, independent contractors, customers, suppliers and various service providers;

9. Actions in connection with the development or testing of products developed by the Company, whether performed by the Company or by third parties on behalf of the Company, and/or in connection with the distribution, sale, license or use of such products, including without limitation in connection with professional liability and product liability claims and/or in connection with the procedure of obtaining regulatory approvals regarding such products, whether in Israel or abroad;

10. Actions taken in connection with the intellectual property of the Company, and its protection, including the registration or assertion of rights to intellectual property and the defense of claims related to intellectual property, including any assertion that the Company's products infringe on the intellectual property rights or constitute a misappropriation of any third party's trade secrets;

11. Actions taken pursuant to or in accordance with the policies and procedures of the Company (including tax policies and procedures), whether such policies and procedures are published or not;

12. Approval of corporate actions, in good faith, including the approval of the acts of the Company's management, their guidance and their supervision;

13. Claims of failure to exercise business judgment and a reasonable level of proficiency, expertise and care in regard of the Company's business;

14. Violations of laws requiring the Company to obtain regulatory and governmental licenses, permits and authorizations in any jurisdiction;

15. Claims in connection with publishing or providing any information, including any filings with governmental authorities, on behalf of the Company in the circumstances required under applicable laws;

16. Any claim or demand made under any securities laws or by reference thereto, or related to the failure to disclose any information in the manner or time such information is required to be disclosed pursuant to such laws, or related to inadequate or improper disclosure of information to shareholders, or prospective shareholders, or related to the purchase, holding or disposition of securities of the Company or any other investment activity involving or effected by such securities, including, for the removal of doubt, any offering of the Company's securities to private investors 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 such offering, listing or offer or to the Company's status as a public company or as an issuer of securities;

17. Any claim or demand made by any lenders or other creditors or for monies borrowed by, or other indebtedness of, the Company;

18. Any claim or demand made directly or indirectly in connection with complete or partial failure, by the Company, or their respective directors, officers and employees, to pay, report, keep applicable records or otherwise, any state, municipal or foreign taxes or other mandatory 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;

19. Any claim or demand made by purchasers, holders, lessors or other users of products of the Company, or individuals treated with or exposed to such products, for damages or losses related to such use or treatment;

20. Actions taken in connection with the financial and tax reports of the Company;

21. Claims in connection with anti-competitive laws and regulations and laws and regulation of commercial wrongdoing;

22. Claims in connection with laws and regulations regarding invasion of privacy, including with respect to databases, and laws and regulations in regard of slander;

23. Claims by any third party suffering any personal injury and/or bodily injury and/or property damage to business or personal property through any act or omission attributed to the Company, or its employees, agents or other persons acting or allegedly acting on their behalf.

Exhibit 10.2

RAIL VISION LTD.

AMENDED SHARE OPTION PLAN

1. Purpose: The purpose of this Share Option Plan is to provide an additional incentive to Employees, Directors, Consultants and certain other Service Providers of the Company (as defined below) and any Affiliate of the Company (as defined below) to further the growth, development and financial success of the Company by providing them with opportunities to purchase Shares (as defined below) of the Company pursuant to this Share Option Plan and to promote the success of the Company's business.

2. Definitions: For the purposes of this Share Option Plan, the following terms shall have the meaning ascribed thereto below:

   a) **"Additional Rights"** means any distribution of rights, including an issuance of bonus shares and stock dividends (but excluding cash dividends), in connection with Section 102 Trustee Options (as defined below) and/or the Shares issued upon exercise of such Options.

   b) **"Affllliate(s)"** means a present or future company that either (i) controls the Company or is controlled by the Company; or (ii) is controlled by the same person or entity that controls the Company, provided that for the purpose of grants made under Section 102, such company is an "employing company" within the meaning of Section 102(a) of the Tax Ordinance (as defined below).

   c) **"Board"** means the Board of Directors of the Company.

   d) **"Cause"** means any of the following: (i) a serious breach of trust, including but not limited to, theft, embezzlement, self-dealing, and/or breach of fiduciary duties; (ii) the Optionee (as defined below) has committed any flagrant criminal offense; (iii) a material breach by the Optionee of any agreement between the Optionee and the Company and/or any Affiliate, which has not been remedied within thirty (30) days after the Optionee has received a written demand for performance from the Company; or (iv) any other circumstance justifying termination or dismissal without severance payment according to Israeli law.

   e) **"Committee"** means a committee of Directors (as defined below) to which the Board may delegate power to act under or pursuant to the provisions of the Plan. In the absence of any such delegation, the Committee will consist of the entire Board.

   f) **"Company"** means Rail Vision Ltd., a company incorporated under the laws of the State of Israel.

   g) **"Companies Law"** means the Israeli Companies Law 5759-1999, as amended.

   h) **"Consultant"** means any person or entity that is engaged by the Company or any Affiliate of the Company to render consulting or advisory services to such entity.

   i) **"Controlling Shareholder"** has the meaning ascribed to it in Section 32(i) of the Tax Ordinance.

   j) **"Corporate Transaction"** means the consummation of any of the following transactions or series of related transactions to which the Company is a party:

      i) any person becomes a beneficial owner, directly or indirectly, of either (A) 50% or more of the then-outstanding Shares or (B) securities of the Company representing 50% or more of the combined voting power of the Company's then outstanding securities eligible to vote for the election of directors; provided, however, that for purposes of this subsection i), the following acquisitions of shares or the Company's voting securities shall not constitute a Change in Control: (w) an acquisition directly from the Company pursuant to share issuances, share purchases, or similar acquisitions by Company shareholders, (x) an acquisition by the Company or an Affiliate, (y) an acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Affiliate, or (z) an acquisition pursuant to a Non-Qualifying Transaction (as defined in subsection (ii) below);

ii) the consummation of a reorganization, merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company or an Affiliate (a "Reorganization"), or the sale or other disposition of all or substantially all of the Company's assets (a "Sale") or the acquisition of assets or stock of another corporation or other entity (an "Acquisition"), unless immediately following such Reorganization, Sale or Acquisition: (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the outstanding Shares and outstanding Company's voting securities immediately prior to such Reorganization, Sale or Acquisition beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding Shares and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Reorganization, Sale or Acquisition (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets or shares either directly or through one or more subsidiaries, the "Surviving Entity") in substantially the same proportions as their ownership, immediately prior to such Reorganization, Sale or Acquisition, of the outstanding Shares and outstanding voting securities, as the case may be, and (B) no person (other than (x) the Company or any Affiliate, (y) the Surviving Entity or its ultimate parent entity, or (z) any employee benefit plan (or related trust) sponsored or maintained by any of the foregoing) is the beneficial owner, directly or indirectly, of 50% or more of the total ordinary shares or 50% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Surviving Entity (any Reorganization, Sale or Acquisition which satisfies all of the criteria specified in (A) and (B) above shall be deemed to be a "Non-Qualifying Transaction");

k) **"Director"** means a member of the Board of Directors of the Company.

l) **"Disability"** means a complete and permanent inability, due to illness or injury, to perform the duties of the Optionee's engagement at such time when the disability commenced, as determined by the Committee based on medical evidence acceptable to it.

m) **"Employee"** means any person, including officers and Directors, employed by the Company or any Affiliate of the Company. A person employed by the Company or any Affiliate of the Company shall not cease to be an Employee for the purposes of the Plan in the case of (i) any leave of absence approved by the Company, or (ii) transfer between locations of the Company, or (iii) transfer of employment between the Company and any Affiliate or any successor thereto. With regard to Section 102 Trustee Options and Section 102 Non-Trustee Options (as defined below), "Employee" includes Directors and office holders *("Nosei Misra"* as such term is defined in the Israeli Companies Law), and excludes any person who is a Controlling Shareholder prior to and/or after the issuance of the Shares issued upon exercise of the Options.

n) **"Exercise Price"** means the price per Share determined by the Committee in accordance with Section 10 below, which is to be paid to the Company in order to exercise an Option and purchase the Share(s) covered thereby.

o) **"Expiration Date"** of an Option means the earlier of: (i) the lapse of ten (10) years from the date such Option was granted; or (ii) the expiration date set forth in the Option Agreement.

p) **"Fair Market Value"** means, as of any date, the value of a Share determined as follows:

i) If the Shares are admitted to trading on any established stock exchange or a national market system, including without limitation the Nasdaq National Market or the Nasdaq Small Cap Market of the Nasdaq Stock Market, the Fair Market Value shall be the closing sale price of a Share on the principal exchange on which Shares are then trading (or as reported on any composite index which includes such principal exchange), on the trading day immediately preceding such date, or if Shares were not traded on such date, then on the next preceding date of which a trade occurred, as reported in *The Wall Street Journal* or such other source as the Committee deems reliable;

ii) If the Shares are not traded on an exchange, but are admitted to quotation on the Nasdaq or other comparable quotation system, the Fair Market Value shall be the mean between closing representative bid and asked prices for the Shares on the trading day immediately preceding such date or, if no bid and ask prices were reported on such date, then on the last date preceding such date on which both bid and ask prices were reported, all as reported by Nasdaq or such other comparable quotation system; or

iii) If the Shares are not publicly traded on an exchange and not quoted on Nasdaq or a comparable quotation system, the Fair Market Value shall be determined in good faith by the Committee.

iv) Without derogating from the foregoing and solely for the purpose of determining the tax liability, in the case of Capital Gain Option Through a Trustee (as defined below), the Fair Market Value of a Share at grant shall be determined in accordance with the provisions of Section 102(b)(3) of the Tax Ordinance as further detailed in Section 17(b) below.

q) **"IPO"** means an initial underwritten public offering of the Shares of the Company pursuant to an effective registration statement under the United States Securities Act of 1933, as amended or the Israeli Securities Law, 5728-1968. as amended or equivalent law of another jurisdiction.

r) **"Lock-up Period"** means the period during which the Section 102 Trustee Options granted to an Optionee or, upon exercise thereof the underlying Shares as well as any Additional Rights distributed in connection therewith are to be held by the Trustee (as defined below) on behalf of the Optionee, in accordance with Section 102 (as defined below) and pursuant to the tax route which the Company elects.

s) **"Notice of Exercise"** has the meaning ascribed to it in Section 11 below.

t) **"Option(s)"** means a right to purchase Shares granted under Section 8 below in accordance with the provisions of the Option Agreement, and subject to the terms specified in the Plan, whether a Section 102 Trustee Option, Section 102 Non-Trustee Option, Section 3(i) Option, or option issued under other tax regimes.

u) **"Optionee(s)"** means the holder of an outstanding Option granted under the Plan.

v) **"Option Agreement"** means a written or electronic agreement between the Company and the Optionee evidencing the terms and conditions of an individual grant of Option, as further specified in Section 8 below. The Option Agreement is subject to the terms and conditions of the Plan.

w) **"Plan"** means this Share Option Plan, as amended from time to time.

x) **"Proxy Holder'** means the Chairman of the Board, as shall be in office from time to time or any other person designated by the Board to act as proxy holder.

y) **"Section 3(i)"** means that certain Section 3(i) of the Tax Ordinance, and any regulations, rules, orders or procedures promulgated thereunder, all as amended.

z) **"Section 3(i) Option"** means an Option granted pursuant to Section 3(i).

aa) **"Section 102"** means that certain Section 102 of the Tax Ordinance, and any regulations, rules, orders or procedures promulgated thereunder, including the Income Tax Rules (Tax Relief for Issuance of Shares to Employees), 2003, all as amended.

bb) **"Section 102 Trustee Option"** means an Option that by its terms qualifies and is intended to qualify under the provisions of Section 102(b) of the Tax Ordinance (including the Section 102(b) Route Election (as defined below)), as either:

cc) **"Ordinary Income Option Through a Trustee"** for the special tax treatment under Section 102(b)(1) and the "Ordinary Income Route", or

i) **"Capital Gain Option Through a Trustee"** for the special tax treatment under Section 102(b)(2) and the "Capital Route".

ii) **"Section 102(b) Route Election"** means the right of the Company to choose either the "Capital Route" (as set under Section 102(b)(2)), or the "Ordinary Income Route" (as set under Section 102(b)(1)), but subject to the provisions of Section 102(g) of the Tax Ordinance, as further specified in Section 6 below.

dd) **"Section 102 Non-Trustee Option"** means an Option that by its terms does not qualify or is not intended to qualify as a Section 102 Trustee Option and is granted not through a trustee under the terms of Section 102(c) of the Tax Ordinance.

ee) **"Service Provider"** means an Employee, officer, Director or Consultant.

ff) **"Share(s)"** means an Ordinary Share, nominal value NIS 0.01 of the Company, as adjusted in accordance with Section 13 of the Plan.

gg) **"Tax Ordinance"** means the Israeli Income Tax Ordinance (New Version), 1961, as amended.

hh) **"Trust Agreement"** means a written agreement between the Company and the Trustee, which sets forth the terms and conditions of the trust and is in accordance with the provisions of Section 102(b).

ii) **"Trustee"** means a person or an entity, appointed by the Company and approved in accordance with the provisions of Section 102, to hold in trust on behalf of the Optionees the granted Options, or upon exercise thereof, the Shares, as well as any Additional Rights granted in connection therewith, in accordance with the provisions of Section 102.

3. Interpretation: Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.

4. Administration:

a) The Committee shall have the power to administer the Plan. Notwithstanding the above, the Board shall automatically have a residual authority if no Committee shall be constituted or if such Committee shall cease to operate for any reason whatsoever.

b) Subject to the terms and conditions of this Plan, and subject to the approval of any relevant authorities and to applicable laws, the Committee shall have full power and authority, at all times, to: (i) select the Service Providers to whom Options may from time to time be granted hereunder, and to grant the Options to the said Service Providers; (ii) determine the terms and provisions of the Option Agreements (which need not be identical) including, but not limited to, the type of Option to be granted, the number of Shares to be covered by an Option, the Exercise Price, the times or conditions upon which and the extent to which an Option shall be vested and may be exercised and the nature and duration of any restrictions applicable to the Options or the underlying Shares, including as to transferability or exercise of the same; (iii) accelerate the right of an Optionee to exercise, in whole or in part, any Option, or extend such right; (iv) approve forms of Option Agreement for use under the Plan; (v) make a Section 102(b) Route Election (subject to the limitations set under Section 102(g)); (vi) interpret and construe the provisions of the Plan and the Option Agreements; (vii) determine the Fair Market Value of the Shares; (viii) adopt sub-plans, Plan addenda and appendices to the Plan as the Committee deems desirable, to accommodate foreign laws, regulations and practice. The provisions of such sub-plans, Plan addenda and appendices to the Plan may take precedence over other provisions of the Plan, but unless otherwise superseded by the terms of such sub-plans, Plan addenda and appendices to the Plan, the provisions of the Plan shall govern their operation; (ix) exercise such powers and perform such acts as are deemed necessary or expedient to promote the best interests of the Company with respect to the Plan, including but not limited to prescribe, amend and rescind any rules and regulations relating to the Plan (including rules and regulations relating to sub-plans. Plan addenda and appendices to the Plan established for the purpose of satisfying applicable foreign laws); and (x) take all other action and determine any other matter which is necessary or desirable for, or incidental to, the administration of the Plan.

c) The interpretation and construction by the Committee of any provision of the Plan (including sub-plans, Plan addenda and appendices to the Plan), the Option Agreement or of any Option thereunder shall be final and conclusive, unless otherwise determined by the Board.

a) Reserved Shares: The Company, during the term of this Plan, shall reserve and keep available such number of Shares as shall be sufficient to satisfy′ the requirements of the Plan. The Shares subject to the Plan may be either authorized but unissued Shares or reacquired Shares, subject to applicable laws.

b) Any Shares under the Plan, in respect of which the right hereunder of an Optionee to purchase the same shall for any reason terminate, become cancelled, expire or otherwise cease to exist, shall again be available for grant through Options under the Plan (unless the Plan has terminated); provided, however, that any Shares not issued or tendered to the Company related to the payment of the Exercise Price of an Option or tax withholding obligations as provided under Section 17 shall not be available for grant through Options under the Plan. No fraction of Shares may be issued under the Plan.

c) The Board may, at any time during the term of the Plan, increase the number of Shares available for grant under the Plan. The approval of the Company's shareholders of such increase shall be obtained if so required under applicable laws and/or the Company's incorporation documents and/or any shareholders agreement, as shall be in effect from time to time.

5. Section 102(b) Route Election: No Section 102 Trustee Options may be granted under this Plan to any eligible Optionee, unless and until, the Company's election of the type of Section 102 Trustee Options either as "Ordinary Income Option Through a Trustee" or as "Capital Gain Option Through a Trustee" is appropriately filed with the Income Tax Authorities. The Section 102(b) Route Election shall obligate the Company to grant *only* the type of Section 102 Trustee Option it has elected, and shall apply to all Optionees who were granted Section 102 Trustee Options during the period indicated herein, to the extent required under and in accordance with the provisions of Section 102(g) of the Tax Ordinance and the applicable regulations. For avoidance of doubt, it is clarified that the Company does not obligate itself to file a Section 102(b) Route Election, and in any case, such Section 102(b) Route Election shall be at the sole discretion of the Company. It is further clarified that such Section 102(b) Route Election shall not prevent the Company from granting Section 102 Non-Trustee Options simultaneously.

6. Eligible Optionees:

   a) Subject to the terms and conditions of the Plan and any restriction imposed by applicable laws, Options may be granted to Service Providers, as selected by the Committee in its sole discretion, *provided however*, that, (i) Section 102 Trustee Options and Section 102 Non-Trustee Options may be granted only to Israeli Employees of the Company and any Affiliate thereof, and provided further that, such Affiliate corporation is an "employing company" within the meaning of Section 102(a) of the Tax Ordinance; and (ii) Section 3(i) Options may be granted only to Israeli (a) Consultants; and/or (b) employees, Directors and/or officers of the Company or any Affiliate who are Controlling Shareholders prior to and/or after the issuance of the Shares underlying the Options.

   b) Eligibility to participate in the Plan does not confer any right to be granted with Options under the Plan. Participation in the Plan is voluntary. The grant of an Option to a Service Provider hereunder, shall neither entitle such Service Provider to participate, nor disqualify him from participating, in any other grant of Options pursuant to this Plan or any other share incentive or stock option plan of the Company or any Affiliate of the Company.

7. Issuance of Options:

   a) Options may be granted at any time after the Plan shall become effective as specified in Section 18 hereof, subject to obtaining all the necessary approvals (if any) from any regulatory body or governmental agency having jurisdiction over the Company and/or any Affiliate and/or any Optionee. In the case of Section 102 Trustee Options, Options may be granted only after the passage of thirty (30) days (or a shorter period as and if approved by the tax authorities) following the delivery by the Company to the appropriate Israeli Income Tax Authorities of a request for approval of the Plan and the Trustee according to Section 102. Notwithstanding the above, if within ninety (90) days of delivery of the abovementioned request, the tax officer notifies the Company of its decision not to approve the Plan, the Options, which were intended to be granted as a Section 102 Trustee Options, shall be deemed to be Section 102 Non-Trustee Options, unless otherwise was approved by the tax officer. The date of grant of each Option shall be the date specified by the Committee at the time such Option is granted and subject to the applicable laws and regulations.

   b) An Option Agreement shall evidence each Option granted pursuant to the Plan. The Option Agreement shall state, *inter alia*, the number of Shares covered thereby, the type of Option granted thereunder, the vesting schedule (including any performance-based vesting criteria) and any acceleration thereof, , the Exercise Price and such other terms and conditions as the Committee in its discretion may prescribe, provided that they are consistent with this Plan and applicable laws.

8. Trustee: In connection with the grant of any Section 102 Trustee Options, the following shall apply:

   a) Notwithstanding anything to the contrary contained in the Plan. Section 102 Trustee Options, which shall be granted under the Plan and any Shares issued upon exercise of such Options shall be issued to the Trustee who shall hold the same in trust for the benefit of the Optionee at least for the Lock-up Period. Upon the conclusion of the Lock-up Period and subject to any further period included in the Plan and/or in the Option Agreement, the Trustee may release Section 102 Trustee Options or Shares issued upon exercise of such Options to Optionee only after the Optionee's full payment of his tax liability in connection therewith due pursuant to the Tax Ordinance.

   b) Notwithstanding the above, in the event an Optionee shall elect to release the Section 102 Trustee Options and/or the Shares issued upon exercise of such Options prior to the conclusion of the Lock-up Period, the sanctions under Section 102 shall apply to and shall be borne solely by the Optionee.

c) Any Additional Rights distributed to the Optionee on account of Section 102 Trustee Options shall be deposited with and/or issued to the Trustee for the benefit of the Optionee, and shall be held by the Trustee for the applicable Lock-up Period in accordance with the provisions of Section 102 and the elected tax route.

d) The Company, any Affiliate of the Company (if applicable), the Trustee and the Optionee shall comply with the Tax Ordinance, Section 102 and the provisions of the Trust Agreement.

e) Upon receipt of Section 102 Trustee Options, Optionee will sign the Option Agreement, which shall be deemed as the Optionee's undertaking to exempt the Trustee from any liability in respect of any action or decision duly taken and *bona fide* executed in relation with the Plan and any Option, Share, Additional Right or other rights received by the Optionee in connection therewith.

f) The Committee shall determine and approve the terms of engagement of the Trustee, and shall be authorized to designate from time to time a new Trustee and replace either of them at its sole discretion, and in the event of replacement of any existing Trustee, to instruct the transfer of all Options and Shares held by such Trustee at such time to its successor.

g) For as long as the Trustee holds Shares in trust for the benefit of the Optionee, the Trustee shall not use the voting rights vested in such Shares, and shall not exercise such rights in any way whatsoever. In the event the right to vote such Shares is held by the Trustee pursuant to Section 102, then upon the exercise of any Section 102 Trustee Option by the Optionee, the Trustee shall execute an irrevocable voting proxy in such form as may be prescribed by the Committee in accordance with the provisions of Section 11(j) of the Plan and the provisions of Section 102.

9. Option Exercise Price and Consideration:

a) The Exercise Price shall be determined by the Committee on the date of grant of an Option, on an individual basis, subject to any guidelines as may be determined by the Board from time to time and any applicable law; provided, however, that the Exercise Price shall be not less than the nominal value of the Shares underlying the Option.

b) The consideration to be paid for the Shares to be issued upon exercise of an Option, including the method of payment, shall be determined by the Committee subject to applicable laws. Such consideration may consist of, without limitation, (1) cash, or (2) check or wire transfer, or (3) at the discretion of the Committee, consideration received by the Company under a broker-assisted sale and remittance program acceptable to the Committee, or (4) at the discretion of the Committee, any combination of the foregoing methods of payment.

10. Vesting and Exercise of Options:

a) Each Option Agreement shall provide the vesting schedule for the Option as determined by the Committee. The Committee shall have the authority to determine the vesting schedule and accelerate the vesting of any outstanding Option at such time and under such circumstances as it, in its sole discretion, deems appropriate.

b) The Option Agreement may contain performance goals and measurements (which, in the case of Options granted in accordance with Section 102, shall, if then required, be subject to obtaining a specific tax ruling or determination from the appropriate Israeli Income Tax Authorities), and the provisions with respect to any Option need not be the same as the provisions with respect to any other Options.

c) Options shall be exercisable pursuant to the terms under which they were awarded and subject to the terms and conditions of this Plan and the Option Agreement; provided, however, that in no event shall an Option be exercisable after its Expiration Date, as further specified in Section 11(d) below.

Unless the Committee provides otherwise, vesting of Options granted hereunder shall be suspended during any unpaid leave of absence.

d) Anything herein to the contrary notwithstanding, if any Option, or any part thereof, has not been exercised prior to its Expiration Date and the Shares covered thereby not paid for until such date, then such Option, or such part thereof, and the right to acquire such Shares shall terminate, and all interests and rights of the Optionee in and to the same shall expire.

e) Options may be exercised only to purchase whole Shares, and in no case may a fraction of a Share be purchased. If any fractional Share would be deliverable upon exercise, including but not limited to, as a result of adjustments as provided in Section 14 hereof, such fraction shall be rounded up one-half or less, or otherwise rounded down, to the nearest whole number of Shares.

f) An Option, or any part thereof, shall be exercisable by the Optionee's signing and returning to the Company at its principal office, on any business day, a "Notice of Exercise" in such form and substance as may be prescribed by the Committee from time to time and in accordance with the requirements of applicable laws, which exercise shall be effective upon receipt of such signed notice by the Company at its principal office. The Notice of Exercise shall specify the number of Shares with respect to which the Option is being exercised and shall be accompanied by payment of the aggregate Exercise Price due with respect to the Shares to be purchased. Such payment may consist of any consideration and method of payment authorized by the Committee and permitted by the Option Agreement and the Plan. If required under applicable laws, the Notice of Exercise shall also be accompanied by payment of the aggregate withholding taxes due with respect to the exercise of Options and/or purchased Shares.

g) If applicable laws require the Company to take any action with respect to the Shares specified in the Notice of Exercise before the issuance thereof, then the date of their issuance shall be extended for the period necessary to take such action.

h) Prior to exercise, the Optionee shall have none of the rights and privileges of a shareholder of the Company in respect to any Shares purchasable upon the exercise of any part of an Option. 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), no right to receive dividends or any other rights as a shareholder shall exist with respect to the Shares, notwithstanding the exercise of the Option. The Company shall issue (or cause to be issued) such Shares promptly after the Option is exercised, subject to the provisions of Section 15 hereof. No adjustment will be made for a dividend or other right, for which the record date precedes the date of issuance of the Shares, except as provided in Section 13 hereof.

i) Except and to the extent otherwise expressly provided herein, the Shares acquired under an Option shall be subject to the provisions of the Company's incorporation documents, as amended from time to time and/or any other shareholders agreement in effect.

j) To the extent permitted by applicable law, an Option Agreement may include a requirement that concurrently with the exercise of any Option and as a condition precedent to such exercise and the issuance of any Shares in respect thereof, the Optionee shall sign and deliver to the Company an irrevocable power of attorney and voting proxy in such form as may be prescribed by the Committee. By this proxy, the Optionee's right to vote any acquired Shares shall be assigned to the Proxy Holder, who shall vote such Shares on any issue brought before the shareholders of the Company in accordance with the majority vote of the shareholders of the Company (as voted by the shareholders without taking such acquired Shares in consideration). Such power of attorney and voting proxy shall expire and be of no further force and effect upon the consummation of an IPO.

11. *Net Exercise*:

Notwithstanding the provisions of Section 11 above, the Board may determine that in lieu of exercising Options for cash, the Optionee may elect to receive Shares equal to the aggregate value of the Options (or the portion thereof being exercised) against payment of the par value of such exercised Shares, by written notice of such election to the Company, in which event the Company shall issue to the Optionee, for no additional consideration (other than the par value of such exercised Shares), that number of Shares computed using the following formula:

$$X = \frac{Y\ (A-B)}{A-N}$$

Where

X = The number of Shares to be issued to the Grantee.

Y = The number of Vested Options that the Grantee wishes to exercise.

A = The Fair Market Value of one (1) Share, which, if the Shares are traded on a stock exchange, will be considered as the average known closing price (or closing bid if no sales have been reported) of the Company's share on the applicable stock exchange in the 30 days prior to the date of delivery of the exercise notice by the Optionee to the Company.

B = The Exercise Price.

N = Par Value of Exercise Share

12. Termination of Relationship as a Service Provider:

a) Except as provided below, an Option, or any part thereof, may not be exercised unless the Optionee is then a Service Provider of the Company or any Affiliate thereof, and unless the Optionee has remained continuously a Service Provider since the date of grant of the Option, unless the Committee determines that a longer period is applicable or such longer period is otherwise set forth in the Option Agreement.

b) Unless otherwise approved by the Committee or set forth in the Option Agreement, if an Optionee ceases to be a Service Provider of the Company or any Affiliate thereof for any reason (including, but not limited to retirement, but excluding termination by reasons of Cause, Optionee's Disability or death, for which events there are special rules in Sections 13(c) and 13(d) below), all Options granted to the Optionee, which are vested and exercisable at the time of such termination, may be exercised within one (1) month following the date of such termination if the Company initiates such termination or two (2) weeks following the date of such termination, if the Service Provider initiates such termination but in no event later than the Expiration Date of such Option, as set forth in the Option Agreement. If, after termination, the Option is not so exercised within the time specified herein, the Option shall terminate, and the Shares covered by the unexercised portion of such Option shall revert to the Plan. Unless the Committee or the Option Agreement provide otherwise, any Options which are not vested and exercisable at the date of such termination, shall terminate, and the Shares covered by such unvested Option shall revert to the Plan.

c) Unless otherwise approved by the Committee or set forth in the Option Agreement, if an Optionee ceases to be a Service Provider of the Company or any Affiliate thereof as a result of Optionee's Disability or death, all Options granted to the Optionee, which are vested and exercisable at the time of such termination, may, unless earlier terminated in accordance with the Option Agreement, be exercised within six (6) months, following the Optionee's termination, but in no event later than the Expiration Date of such Option, as set forth in the Option Agreement. In the case of Optionee's death, such Option may be exercised by the personal representative of the Optionee's estate or by the person or persons to whom the Option is transferred pursuant to the Optionee's will or the laws of inheritance or by the Optionee's designated beneficiary or beneficiaries of that Option. If, after termination, the Option is not so exercised within the time specified herein, the Option shall terminate, and the Shares covered by the unexercised portion of such Option shall revert to the Plan. Unless the Committee or the Option Agreement provide otherwise, any Options which are not vested and exercisable at the date of such termination, shall terminate and the Shares covered by such unvested Option shall revert to the Plan.

d) Notwithstanding the above, if an Optionee ceases to be a Service Provider of the Company or any Affiliate thereof for Cause, all outstanding Options granted to such Optionee (whether vested or not) shall, to the extent not theretofore exercised, expire immediately upon the earlier of: (i) the date of such termination; or (ii) the time of delivery of the notice of termination for Cause, unless otherwise determined by the Committee. The Shares covered by such expired Options shall revert to the Plan.

e) In addition and notwithstanding Sections 13(b) through 13(d) above, if after termination of relationship as a Service Provider, Optionee does not comply in full with any of non- compete, non solicitation, confidentiality or any other requirement of any agreement between the Optionee and the Company (or any Affiliate thereof engaging the Optionee), the Committee may, in its sole discretion, refuse to allow the exercise of the Options.

f) For the purpose of this Section 13, termination of relationship as a Service Provider shall be deemed to be effective upon the date, which is designated by the Company (or any Affiliate thereof engaging the Optionee) as the last day of the Optionee's service with the Company or any Affiliate thereof.

g) For the purpose of this Section 13, a transfer of the Optionee from the service of the Company to any Affiliate (and vise versa) or between Affiliates shall not be deemed a termination of relationship as a Service Provider, unless otherwise determined by the Committee.

13. Adjustments, Liquidation and Corporate Transaction: Upon the occurrence of any of the following described events, an Optionee's right to purchase Shares under the Plan shall be adjusted as hereinafter provided.

a) Changes in Capitalization. The number and type of Shares which have been authorized for issuance under the Plan but as to which no Option have yet been granted or which have been returned to the Plan upon cancellation or expiration of an Option, and the number and type of Shares covered by each outstanding Option, as well as the Exercise Price per Share covered by each such outstanding Option, shall be proportionately adjusted for any increase or decrease in the number or type of issued Shares resulting from a stock split, reverse stock split, stock dividend, recapitalization, combination or reclassification of the Shares, or any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan. The conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration". Such adjustment shall be made by the Committee, in its sole discretion. The Company shall not be required to issue fractional Shares or other securities under the Plan as a result of such adjustment and any fractional interest in a Share or other security that would otherwise be delivered upon the exercise of an Option will be rounded, as detailed in Section 11(e) hereof.

b) Dissolution or Liquidation. In the event of dissolution or liquidation of the Company, the Company shall have no obligation to notify the Optionees of such event and any Options that have not been previously exercised will terminate immediately prior to such dissolution or liquidation. Notwithstanding the above, in the event of a voluntary liquidation of the Company, which is not within the frame of a Corporate Transaction, the Committee shall notify each Optionee as soon as practicable prior to the effective date of such proposed transaction, and any Options that have not been previously exercised will terminate immediately prior to such proposed liquidation.

c) Corporate Transaction. In the event of a Corporate Transaction, each outstanding Option shall be treated as the Committee determines, including, without limitation, that each Option may (i) be assumed or substituted for an equivalent option by the successor corporation or a parent or subsidiary of the successor corporation. In the case of such assumption or substitution of Options, appropriate adjustments shall be made in the number and type of Shares covered by each outstanding Option, as well as the Exercise Price per Share covered by each such outstanding Option, and all other terms and conditions of the Options, such as the vesting dates, shall remain in force; or (ii) be terminated in exchange for a cash payment (if any) equal to the excess of the Fair Market Value of the Shares subject to such Option (either to the extent then exercisable or, at the discretion of the Committee, the Option being made fully exercisable for purposes of this Section 14(c)) over the Exercise Price thereof.

For the purposes of this Section 14(c), the Option shall be considered assumed if, following the Corporate Transaction, the Option confers the right to purchase or receive, for each Share covered by the Option immediately prior to the Corporate Transaction, the consideration, if any, (whether stock, cash, or other securities or property) received in the Corporate Transaction by holders of Ordinary Shares for each Ordinary Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Ordinary Shares); provided, however, that if such consideration received in the Corporate Transaction is not solely in securities of the successor corporation or its Parent or Subsidiary, the Committee may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of the Option, for each Ordinary Share subject to the Option, to be solely in securities of the successor corporation or its Parent or Subsidiary equal in fair market value to the per share consideration received by holders of Ordinary Shares in the Corporate Transaction.

Unless the Committee or the Option Agreement provide otherwise, in the event that the Option is not assumed, substituted or exchanged during and/or immediately following the Corporate Transaction, the Option shall terminate as of the date of the closing of the Corporate Transaction and the Committee shall notify the Optionee in writing or electronically of such termination.

d) The Committee shall not be required to treat all Options similarly in the transaction.[1]Dividend Distribution. In the event the Company shall distribute a cash, in kind, or similar dividend with respect to all of its issued and outstanding ordinary shares, and the record date for determining the right to receive such dividends is before the Expiration Date of exercise such Options, then the Option Exercise Price payable upon exercise of each outstanding Option shall be adjusted and reduced by the amount of such dividend payment per Share; provided, however, that no dividends or Additional Rights may be issued with respect to any unvested Options[2].

e) Issuance of Rights. In the event that the Company shall offer to its shareholders rights to purchase any securities, by the method of rights offering, than the Exercise Price shall not be adjusted. However, the amount of shares issuable upon the exercise of Options not yet exercised prior to the effective date with respect to the right to purchase rights under the rights offering (in this Section 14(e) – the "Effective Date"), shall be adjusted according to the benefit component of the rights, if any, as it is expressed in the ratio between the price of an ordinary share on the end of the Effective Date and the price of an ordinary share as a result of such rights offering, as recorded by the stock exchange, as applicable (ex rights rate).

f) Upon each adjustment of the Exercise Price and/or number of Shares, the Company shall notify Holder within a reasonable time setting forth the adjustments to the Exercise Price, class and/or number of Shares.

14. Limited Transferability and Restrictions on Sale of Options/Shares:

a) No Option may be sold, pledged, assigned, hypothecated or transferred other than by will or by the laws of descent and distribution, and may be exercised during the lifetime of the Optionee, only by the Optionee. The terms of the Plan and the Option Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Optionee. Any attempted sale, transfer, assignment, pledge, hypothecation or other disposition of any Option or of any rights granted thereunder contrary to the provisions of this Plan shall be null and void.

b) Without derogating from the provisions of Section 15(a) above, with regard to Section 102 Trustee Option and the Shares issued upon exercise of such Options, as long as such Options and/or Shares are held by the Trustee on behalf of the Optionee, all rights of the Optionee with respect thereto are personal and cannot be transferred, assigned, pledged or mortgaged, other than by will or by the laws of descent and distribution.

c) Shares acquired upon exercise of an Option shall be subject to such restrictions on transfer and/or sale as are generally applicable to Ordinary Shares of the Company, including but not limited to (i) restrictions detailed in the Company's incorporation documents, as may be amended from time to time; and (ii) restrictions detailed in any shareholders agreements (as applicable to other shareholders of Ordinary Shares of the Company), as amended from time to time, regardless of whether or not the Optionee is a party to such agreements.

d) In the event the Shares shall be registered for trading in any public market, the Committee may impose certain limitations on the Optionee's right to sell the Shares (including a lock-up period) as may be requested by the Company's underwriters or as the Committee may, in its absolute discretion, determine to be necessary or advisable, and Optionee shall unconditionally agree and accept any such limitations.

15. Conditions Upon Issuance of Shares:

a) Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such Shares shall comply with applicable laws and shall be further subject to the approval of counsel for the Company with respect to such compliance. Without derogating from the generality of the foregoing, the Company shall not be required to issue or deliver any Shares (or any certificate or certificates for such Shares) purchased upon exercise of any Option (or portion thereof) prior to the completion of any registration or other qualification of such Shares, if so required under any applicable law and/or under the rulings or regulations of any governmental regulatory body which the Committee shall, in its absolute discretion, determine to be necessary or advisable.

b) As a condition to the exercise of an Option, the Committee may require the Optionee exercising such Option to represent and warrant at the time of such exercise, if, in the opinion of counsel for the Company such representation is required in order to comply with any registration exemption requirement, that (i) the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares; and (ii) the Optionee shall not sell, transfer or otherwise dispose of any of the Shares so purchased by him, except in compliance with the applicable securities laws, and the rules and regulations thereunder. Furthermore, the Company shall have the authority to endorse upon the certificate or certificates representing the Shares such legends referring to the foregoing restrictions, and any other applicable restriction, as it may deem appropriate.

16. Tax Consequences:

a) Any tax consequences arising from the grant or exercise of any Option, from the payment for Shares covered thereby, from the sale, transfer or disposition of such Shares or from any other event or act (of the Optionee, the Company or any Affiliate of the Company or the Trustee (if applicable)) hereunder, shall be borne solely by the Optionee. The Company or any Affiliate or the Trustee (if applicable) shall withhold taxes according to the requirements under the applicable laws, and it may take steps as it may deem necessary for withholding all due taxes, including, but not limited to (i) to the extent permitted by applicable laws, deducting the amount so required to be withheld from any other amount then or thereafter payable to an Optionee, and/or (ii) requiring an Optionee to pay to the Company or any Affiliate or to the Trustee (as the case may be) the amount so required to be withheld as a condition for the issuance, delivery, distribution or release of any Shares. Furthermore, such Optionee shall agree to indemnify the Company, any Affiliate that engages the Optionee and the Trustee, if applicable, and hold them harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to the Optionee. Except as otherwise required by applicable laws, the Company shall not be required to release any Share certificate to an Optionee until all required payments have been fully made.

b) Without derogating from the definition of Fair Market Value in Section 2 above, and solely for the purpose of determining the tax liability with respect to the grant of Capital Gain Option Through a Trustee pursuant to Section 102, in the event the Shares of the Company are listed for trade on any established stock exchange or national market system or in the event the Shares of the Company will be registered for trade within ninety (90) days following the date of grant of such Options, the Fair Market Value of the Shares on the date of grant shall be equal to 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 trade, as the case may be, all in accordance with the provisions of Section 102(b)(3) of the Tax Ordinance.

c) With regard to Section 102 Non-Trustee Option, in the event an Optionee shall cease to be employed by or, if applicable, cease to render his services to the Company or any Affiliate, for any reason, the Optionee shall be obligated to provide the Company and/or its Affiliate with a security or guarantee, in the degree and manner satisfactory to them, to cover any future tax obligation resulting from the disposition of the Options and/or the Shares acquired thereunder.

d) With regard to Section 102 Trustee Options, the provisions of the Plan and the Option Agreement shall be subject to the provisions of Section 102 and the tax officer's approval, which shall be deemed an integral part of the Plan and the Option Agreement. To the extent that Section 102 and/or the tax officer's approval require the Plan and/or the Option Agreement to contain specified provisions in order to qualify the Options for preferential tax treatment, such provisions shall be deemed to be stated herein and/or in the Option Agreement, as applicable, and to be binding upon the Company, any Affiliate and the Optionee.

17. Term, Amendment and Termination of the Plan:

a) The Plan shall become effective upon the later of: (i) its adoption by the Board; or (ii) its approval by the Company's shareholders, but only if such shareholders' approval is required under applicable laws.

18. The Committee, at any time and from time to time, may terminate, suspend or amend the Plan. The Committee shall obtain approval from the Company's shareholders of any Plan amendment to the extent necessary to comply with applicable laws. Other than in respect of a Corporate Transaction (in which case, the provisions of Section 14(c) above shall govern), no amendment, suspension or termination of the Plan shall impair the rights of any Optionee, unless mutually agreed otherwise between the Optionee and the Committee, which agreement must be in writing and signed by the Optionee and the Company. Termination of the Plan shall not affect the Committee's ability to exercise the powers granted to it hereunder with respect to Options granted under the Plan prior to the date of such termination.

19. Participation by Optionees Outside Israel. Notwithstanding anything in the Plan to the contrary, with respect to any employee who is resident outside of Israel, the Committee may, in its sole discretion, amend the terms of the Plan in order to conform such terms with the requirements of local law or to meet the objectives of the Plan. The Committee may, where appropriate, establish one or more sub-plans for this purpose.

20. 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 and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

21. Continuance of Engagement: Neither the Plan nor any Option granted hereunder shall impose any obligation on the Company or its Affiliates, to continue its relationship with an Optionee as a Service Provider, and nothing in the Plan, in any Option Agreement or in any Option granted pursuant thereto shall confer upon any Optionee any right with respect to continuing the Optionee's relationship as a Service Provider with the Company or its Affiliate nor shall it interfere in any way with his right or the Company's or its Affiliate's right to terminate such relationship at any time, with or without Cause, and with or without notice.

22. No Repricing. The terms of any outstanding Option may not be amended, and action may not otherwise be taken, in a manner to achieve a Repricing; provided, however, that nothing herein shall prevent the Committee from taking any action provided for in Section 14 above. For purposes of this Section 23, a "Repricing" shall mean (i) reducing the exercise price of an Option, (ii) cancel outstanding Options in exchange for cash, other equity awards or Options with an Exercise Price that is less than the Exercise Price of the original Options, (iii) cancel outstanding Options with an Exercise Price that is less than the then current Fair Market Value of a Share in exchange for other equity awards, cash or other property; or (iv) otherwise effect a transaction that would be considered a "repricing" for purposes of the stockholder approval rules of the applicable securities exchange or inter-dealer quotation system on which the Shares are listed or quoted without shareholder approval.

23. Non-Exclusivity of the Plan: The Plan shall not be construed as creating any limitations on the power of the Board or the Committee to adopt such other incentive arrangements as either may deem desirable, including without limitation, the granting of stock options otherwise than under the Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

24. Governing Law and Jurisdiction: This Plan and all instruments issued thereunder or in connection therewith 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 thereof. Any dispute arising out of this Plan and all instruments issued thereunder or in connection therewith shall be resolved exclusively by the appropriate court in the State of Israel.

25. Application of Funds: The proceeds received by the Company from the sale of Shares pursuant to Options will be used for general corporate purposes of the Company.

26. Severability: If any term or other provision of this Plan is determined to be invalid, illegal or incapable of being enforced by any applicable laws, the invalidity of such term or provision of the Plan shall not affect the validity or enforceability of any other provision of the Plan, which shall remain in full force and effect.

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Exhibit 10.3

Rail Vision Ltd

Remuneration Policy for Company Officers

a. General background, purpose of document

1. The Company attributes great importance to the human factor in all ranks of the Company and particularly officers in the Company's management level. Therefore, and in light of past experience, suitable and appropriate remuneration of Company officers is of considerable importance, *inter alia* by offering appropriate remuneration to Company officers for their contribution to the Company's business success considering their areas of responsibility and the Company's risk management policies amongst other factors.

2. The Company has defined its Remuneration Policy for officers in a manner that considers improving the Company's business procedures and proceedings in a business environment and also encourages increasing its profitability over time. The Remuneration Policy was determined to align with the Company's business strategy and improve officers sense of identification with the Company and its activity, increase their satisfaction and motivation and preserve valuable officers in the long run.

3. The Remuneration Policy was determined with an emphasis on the principles stipulated in the Companies Law, 5759-1999 (hereinafter: **Companies Law**).

4. It is emphasized that this document does not establish any right for officers to whom the principles of the Remuneration Policy apply or any other third party. The Company is not obligated to offer officers the components specified in the Remuneration Policy, all or part thereof, and is not obligated to provide them with the maximal extent of any remuneration component. The remuneration components that officers are entitled to, will be as individually approved by the authorized organs in the Company (the Remuneration Committee, Board of Directors and General Meeting, as applicable and subject to the provisions of the law).

5. This policy is not to be considered as exhausting all the provisions of the law or the definitions therein. This Remuneration Policy does not constitute any substitute or derogates from the provisions stipulated by existing laws and regulations.

6. The Remuneration Policy will apply to remuneration approved as of the date of adopting the policy by the Company and thereafter. Note that this Remuneration Policy will not undermine existing engagements between the Company and its officers.

7. The Remuneration Policy is phrased in masculine, but refers to men and women alike.

b. Principles of the Remuneration Policy

The terms of office and employment of Company officers will be determined considering and according to the following principles:

8. When reviewing and approving an officer's terms of office and employment, the Remuneration Committee and Board of Directors must consider all the remuneration components, including monthly wages, accessory conditions, retirement grant (grant, payment, compensation or any other benefit provided to officers when ending their service for the Company, including the period of advanced notice) as well as any benefit, payment or obligation for payment or a benefit as said, if any, awarded on account of his office or employment as said.

9. The Company must ensure that its variable remuneration components will not encourage taking risks beyond the extent of risk desired by the Company, according to the Company's risk management policy, as valid from time to time.

10. When reviewing and approving the terms of an officer's office and employment the Remuneration Committee and Board of Directors will, *inter alia* consider the officer's education, skills, expertise, professional experience and achievements in the Company (if the officer served in the Company prior to the date of approval) and outside the Company. Additionally, if required by the Remuneration Committee (and without any obligation), details regarding officers serving in a number of public companies similar to the Company and whose shares are traded on Nasdaq, will be presented for the sake of comparison.

At the time of approving the terms of office and employment upon the initial appointment of an officer in the Company and at the request of the Remuneration Committee, certificates and documents attesting to an officer's education and professional experience will be presented to the members of the Remuneration Committee and the Board of Directors.

11. The amounts stipulated in the Remuneration Policy will be linked to the increase in the Israeli Consumer Price Index, every year, once a year, in the month of February, based on the CPI known for the month of January (published in February). It is clarified that if there will be a decrease in the CPI as said, the said amounts in the Remuneration Policy will not be decreased as a result thereof.

12. Wage ratio

12.1 In determining the terms of office or employment, the Remuneration Committee and Board of Directors will review the ratio between the cost of the terms of office and employment of an officer and the "wages cost" of the rest of the Company employees and "contractor workers employed by the Company"[1] and will note whether in their opinion, it is an appropriate and reasonable ratio considering the nature, size and mix of manpower employed by the Company, as well as its area of operation.

12.2 As of the date[2] of this policy, the ratio between the average cost of the terms of office and employment of the active Board Chairperson, the Company's CEO and the other officers who are not directors (based on their wages cost for a full time 100% position with the Company), the average wage cost and the median wages of the remaining Company employees and contractors workers employed by the Company, are:

	Average	**Median**
Company CEO	1:2.59	1:2.67
Other officers	1:1.65	1:1.7
Active Board Chairperson (*)	1:1.54	1:1.58

(*) Assuming that the present scope of employment of the Board Chairperson is about 20%.

The Company believes that these are reasonable considering the Company's size, nature of activity, expertise and skills required of its officers and nature of its business and also that the said ratios do not adversely affect the work relations in the Company.

12.3 The ratio between the variable components and the fixed components offered to officers will be determined according to the Company's risk management policy and the objectives of this policy. The congruence between the remuneration components will be expressed by suitable compensation for valuable employees, whilst encouraging taking measured risks that will improve the Company's performances. In every given year, the desired ratio between the variable components and the fixed components of Company employees will be as follows:[3]

[1] The meaning of the terms "wages cost" and "contractor workers employed by the Company" are as defined in section (3) of the First Addendum to Part A of the Companies Law.

[2] The details in this section are based on the wages cost immediately after completing the public offering

[3] It is emphasized that the intention is the planned ratio only, assuming receiving the target bonus determined for each of the Company's officers or the relevant subsidiaries (if such exist). The actual ratio between the components of the remuneration package in a given year, might change due to under-performance or over-performance that might affect the variable remuneration as said in this policy. In calculating the range as said, payment of a one-time bonus was not taken into consideration

The Company CEO, (active) Board Chairperson – the varying remuneration component (bonus and equity based) will be no more than 70% of the entire cost of the remuneration package (fixed, bonus and equity based). The aforementioned shall not apply to the current terms of office of the Board Chairperson, Mr. Shmuel Donnerstein, which were approved prior to the date of approval of the remuneration policy, and for which the present varying remuneration component is 95%.

Other officers (excluding members of the Board) – the varying remuneration component (bonus and equity based) will be no more than 70% of the entire cost of the remuneration package (fixed, bonus and equity based).

13. Immaterial change in the terms of office and employment

13.1 An immaterial change in the terms of office and employment of the Company CEO, will be approved by the Remuneration Committee and Company's Board of Directors only, provided that the terms of the CEO's terms of office and employment after the said change, will be compatible to the Remuneration Policy.

13.2 An immaterial change in the terms of office and employment of the Company's VP or other officer subordinate to the CEO, will be approved by the Company's CEO only, provided that the terms of office and employment after the said change, will be compatible to the Remuneration Policy.

For purpose of this policy, "**immaterial change**" will be considered a change of not more than ten percent (10%), compared to the approved remuneration package (accumulatively over the entire period of the Remuneration Policy), provided that it does not exceed the limits mentioned in this policy.

c. Fixed components

14. The maximal, monthly base salary (hereinafter: "**Base Salary**") for Company officers is specified below:

Position	Maximal remuneration of Base Salary (in thousand NIS)
Company CEO	110
Other officer	85
Active Board Chairperson / directors who provide services to the Company	90

The amounts in the above table are for a full-time position (100%).

The Base Salary for purpose of the above table was calculated in terms of employer cost for all fixed components, and when referring to an officer receiving remuneration as management fees - the full amount of management fees (excluding VAT), excluding (either as an employee or as management fee) varying salary components (if any) as detailed below.

15. In case of an officer employed in a partial position, the amounts will be calculated relatively compared to the partiality of the position.

16. The Base Salary actually paid to each officer, will be reviewed by the Remuneration Committee and Board of Directors from time to time and updated as necessary (subject to the provisions of this Remuneration Policy) after reviewing and comparing it to the Company's business condition and the manpower employed by the Company at the time.

17. Officers employed as part of an employment agreement (meaning do not provide management services as part of a management agreement with a company owned by them) will be entitled to social benefits as acceptable in the labor market and as customary in the Company, such as provisions to provident funds, pension and directors insurance for compensation and severance pay, which will not be less than the provisions stipulated in the law, as well as provisions to an advanced study fund, loss of working capacity insurance, vacation, sick leave and convalescence pay.

    It is clarified that for officers serving according to a management agreement with a company owned by them, there will be no employee-employer relations with the Company and they will not be entitled to the accessory conditions in this section, since these are included in the said management fees.

18. The terms of office and employment of officers, whether serving in the Company by virtue of a management agreement and whether employed by the company as hired employees, might include additional benefits, such as: a car (by operational lease or in value) and car expenses as acceptable for officers of their rank, including vehicle and telephone expenses, advanced study funds beyond the limit of tax exemption, 13^{th} salary, telephone expenses and cellular telephone (including reimbursement of travel expenses), entitlement to sick pay from the first day of absence, annual vacation (including accumulating and redeeming vacation days), holiday gifts, medical testing and more.

    Additionally, officers might be entitled to reimbursement/payment of reasonable expenses actually spent as part of their position according to the Company's policy, as determined from time to time, including entertainment and living expenses in the capacity of their position, all according to Company procedures. There is no limit as to the amounts of reimbursement as said.

    The Company is entitled to include tax imposed on an officer for a variable component or components of remuneration, including any benefit provided to the officer.

19. In special cases, it will be possible to give a new officer a signing-on bonus in the extent of up to three (3) times the Base Salary (apart from other grants specified in this policy). It is clarified that the officer might be required to return the signing-on bonus to the Company, entirely or partially, if he leaves the Company of his initiative, within two years from commencing his employment (clawback).

d. Variable components

20. The Company will be entitled to give officers an annual bonus according to parameters and targets determined in the bonus plan (that will be approved by the Remuneration Committee and Board of Directors) or individually to each officer or based on the employment agreement or his office, for each year or a longer period of time, all according to the discretion of the organ authorized to determine the said targets. The annual bonus for officers will be based on measurable, qualitative targets or any combination thereof. When an officer is a controlling party or a relative of a controlling party in the Company as defined in the law, additional approvals will be required according to the law.

    The quantitative measures will be determined in advance and evaluating performances based on quality measures will be reviewed retroactively. The Board of Directors will be entitled to decide on changing the targets for any officer in the Company by recommendation of the Renumeration Committee. It is clarified that changing targets retroactively, will be done under special circumstances (for example – changing a position during the year, a change in the Company's activity or assets, entering new projects, performing material transactions during the year which require that the officer avert his managerial attention thereto) or material events that occurred, which justify changing targets in a manner that is required under the circumstances or special events, all without undermining the Company's best interests.

    The relative weight of the personal and qualitative targets of the total bonus targets will be as follows:

Position	**Relative weight**		
	Personal measurable targets	**Company level measurable targets**	**Qualitative targets**
Company CEO	80%-100%		0%-20% but no more than 3 base salaries
Active Board Chairperson / directors who provide services to the Company	80%-100%		0%-20% but no more than 3 base salaries
Other officers (excluding directors)	30%-60%	30%-50%	30%-60%

    Nonetheless, the scope of the bonus for the Company CEO, based on qualitative, discretional targets, will not exceed three (3) times the Base Salary.

21. Measurable Targets

    21.1 Personal Targets: will include at least one of the measurable components directly effected by the activity of the relevant officer, such as: the parameter of completing milestones in significant projects, the parameter of adhering with internal procedures and complying with the provisions of the law. These targets will inter alia include long term targets.

    21.2 Company level targets: one or more of the following measurable components: net profit, EBITDA, operational profit, profit before tax, sale, strategic partnership, strategic contracts, revenues, return on capital, increase in profitability or sales compared to previous years or primary performance parameters.

22. Determining the targets

    The Company organs who are authorized to determine the measurable targets, for which a bonus is paid in a certain year, are as follows: for a Director – the General Meeting (excluding the exceptions detailed below); for the Company CEO – the Remuneration Committee and the Board of Directors; for the other officers – the Company CEO or the Remuneration Committee or the Board of Directors.

Notwithstanding the above, if all the terms enumerated in section (a) or (b) below are met, the targets for which a bonus is paid to a director in a certain year shall be determined by the Remuneration Committee and the Board of Directors (not the General Meeting):

(a) The decision of the Remuneration Committee and the Board of Directors regarding the determination of the targets is in accordance with the Remuneration Policy; the targets will be measurable targets only; the scope of the potential bonus to be awarded on the basis of such targets shall not exceed three (3) salaries; the targets were determined in advance by the Remuneration Committee and the Board of Directors.

(b) The decision of the Remuneration Committee and the Board of Directors regarding the determination of the targets is in accordance with the Remuneration Policy; the officer in regard to which said targets are determined is an officer, who in addition to serving as a director also serves in an operative or managerial position in the Company; the approval of said targets by the Remuneration Committee and the Board of Directors was adopted without participation of the directors who receive target-based remuneration from the Company (whether as directors or as other officers of the Company).

The Company organs, who are authorized to approve bonuses based on unmeasurable criteria, are as follows: for a director – the General Meeting; for the Company CEO (who is not a director) – the Remuneration Committee and the Board of Directors; for the other officers – the Company CEO and the Remuneration Committee. If the officer is a controlling shareholder of the Company or a relative of such, as defined in the Law, further approvals are required under law.

By approving the Remuneration Policy, the meeting hereby authorizes the organs above to determine the targets.

In addition to the targets *per* se, the relevant, authorized organ will also determine guidelines or a numerical formula for calculating entitlement to the bonus, according to compliance with the defined targets, such as a minimal threshold for entitlement and relative entitlement. In lack of any other definition, calculating the rate of the target bonus that an officer is entitled to, will be done in a linear manner, so that the officer will be entitled to the relative part of the annual bonus or the relative part for each bonus separately, as determined for that officer according to the percentage of his compliance with targets (for example: complying with 80% of the targets (or a certain target), entitles the officer to 80% of the target bonus determined for fully complying with targets (or the relevant target)).

23. Qualitative Targets

Evaluating performances, will be done as customary in the Company as part of employee evaluations and will also refer to non-financial criteria. The evaluation will *inter alia* refer to the officer's long-term contribution and long-term performances.

24. Threshold conditions for entitlement to an Annual Bonus

The Company may determine one or more threshold conditions, whereas not complying with them will prevent payment of an annual bonus based on measurable targets, yet in these cases, the Remuneration Committee can decide, for reasons to be stated, to pay the said bonus, *inter alia* considering events or circumstances that occurred and justify payment as said.

25. Limit of Annual Bonus

The maximal, annual bonus for Company officers is as follows:

Position	Maximal, annual bonus
CEO	6 times the Base Salary
Active Board Chairperson	4 times the Base Salary
Other officers (excluduing directors but including directors who hold other positions in the Company)	4 times the Base Salary

26. Date for paying the bonus

25.1 The annual bonus will be paid to officers once a year, after receiving the certificates required according to the law and shortly after the submitting the Company's audited financial statements for the relevant year.

25.2 The Company is entitled to approve advancing the annual bonus or payment on account of the annual bonus, as the Remuneration Committee deems right. If an officer will be paid any excess payments on account of the annual bonus, such payments will be considered an agreed and specific debt by the officer to the Company and the Company will be entitled to deduct and offset the said debt from the officer's salary and/or any other payment that the Company is required to pay the officer.

27. Material one-time events

For the purpose of calculating the bonuses (including the entitlement to bonuses) the Remuneration Committee and the Board of Directors may (but are not obligated to) discount from the Company's financial outcomes nonrecurring events, whether such discount will increase the bonus or establish an entitlement for the bonus, or whether such discount will decrease the bonus or following which there will be no entitlement to a bonus, according to the nature of the event and its impact, as detailed below:

26.1 Business related changes: nonrecurring transactions that are not part of the ordinary course of business, whether or not such were taken into consideration when determining the Company's budget.

26.2 Accounting related changes: changes in accounting standards during the year or in the interpretation of their application by the accounting authorities or the Securities Authority, early adoption of accounting standards, change in the implementation of accounting policies, change in accounting classification, material estimate change, an event that requires restatement of previous period comparative data which has a significant impact on the outcomes of the reporting period, etc. For the avoidance of any doubt, an accounting related change that affects comparative data of previous periods does not affect the remuneration that was actually granted in the years preceding the adoption of said change.

26.3 Tax related changes: changes in tax rates, changes in legislation, regulations, or the position of the tax authorities in Israel, or a settlement with or ruling from the tax authorities, resulting in significant changes in tax expenses or tax payments, changes in tax expenses or tax payments for previous years whether by agreement or following a court order, etc.

26.4 Force Majeure events: force majeure events or a general state of emergency or an assault against the Company and its systems (including a cyber-attack), etc.

26.5 In extraordinary events, the Company's Board of Directors will have discretion in cases that the Company materially amended its work plan or strategy during a certain year, to apply adjustments for any target bonus determined for a certain year, whether referring to an increase or decrease in the target bonus. Nonetheless, when an officer or CEO is a controlling party or relative thereof as defined in the Law, additional approvals will be required according to the law.

28. Issuance Bonus

The Company has decided to exclude any one-time bonus given for issuance of the Company on the Tel Aviv Stock Exchange from this Remuneration Policy. The total one-time bonuses for this event, for each of the Company's officers and/or acting director, will not exceed four (4) times the actual Base Salary of the relevant officer.

Furthermore, if the Company completes an issuance or registers for trade on a foreign stock change, the relevant authorized organ may decide to grant a special bonus payment to any of the officers (including the CEO), in an amount equal to no more than six (6) times the actual Base Salary of the relevant officer.

29. Entitlement of an employee that ended his office

28.1 The annual bonus will be paid to officers who worked and/or provided the Company and/or an investee corporation with services at least 5 months before approving the financial statements of that year. Calculating the annual bonus for an officer as said, will be done relatively for the months in the calendar year for which that person is entitled to the bonus.

28.2 An officer who resigned, will not be entitled to payment of a bonus for his year of resignation.

28.3 An officer that was dismissed for circumstances that negate the right to severance pay, will not be entitled to payment of the bonus.

28.4 An officer dismissed during a calendar year, yet not for circumstances negating the right to severance pay, will be entitled to a relative bonus for the year of terminating his employment and the bonus will be paid relatively to his period of employment that year.

30. If the Company's consolidated and audited financial statements will be amended and restated in a manner that had the annual bonus amount due to an officer for that year been calculated according to the amended details, the officer would have received a bonus in a different amount, the Company will pay the officer or the officer will return to the Company, as applicable, the difference between the amount of the bonus that the officer received and the amount due to the officer according to the said amendment, all within a period determined by the Board of Directors that will not exceed six (6) months (subject to the possibility of extending the period up to six (6) additional months if the amount of the return is higher than thirty percent (30%) of the officer's annual, base salary), all provided that 12 quarters have not passed from the date of approving the bonus for the officer. It is clarified, that restatement of details in the financial statements resulting from revisions in the law, regulations or accounting principles, will not be considered as restatement requiring application of the said in this section.

31. Additionally, in special cases, the Board of Directors is entitled to decrease the annual bonus, postpone payment, entirely or partially, or register a provision on account thereof in the financial statements and pay the bonus at a time determined by the Board.

e. <u>One-time bonus</u>

32. Following the approval of the Remuneration Committee, the Board of Directors is entitled to decide to grant a one-time bonus for a Company officer's exceptional efforts or achievements (hereinafter: **One-time Bonus**).

33. The One-time Bonus will not exceed the sum equaling three (3) times the Base Salary of the relevant officer, yet if the One-time Bonus is awarded to the Company CEO for discretionary targets not determined in advance, the One-time Bonus, together with any other discretionary bonus awarded to the Company CEO that same year, will not exceed two (2) times the Base Salary. When the Company CEO or an officer is also a controlling party or a relative of a controlling party in the Company, additional approvals will be required according to the law.

    For the avoidance of doubt, the One-time Bonus is in addition to the limits stipulated in section 25 above.

34. The provisions of section 30 above will also apply to a One-time Bonus.

f. <u>Equity Based Compensation</u>

35. Subject to the provisions of the law and as an incentive for officers to generate profits for the Company and reinforce the connection between the interests of Company officers and its shareholders, the Company's Remuneration Committee and Board of Directors will be entitled to decide to grant its officers restricted shares, options for shares, "phantom" shares (options that settling them can be done in cash), non-recourse loans and guarantees for loans for purpose of purchasing Company shares, all according to the long term remuneration plan to be formulated and adopted by the Company institutions, from time to time. As of the date of approving this Remuneration Policy, the Company has an employee and officers option plan that was approved in 2017.

36. The exercise price will be as determined by the Board of Directors for every offeree and as specified in the relevant allotment agreement and if relevant for an offeree – according to principles of the Remuneration Policy, provided that if not determined otherwise, the price of exercising the options to offerees who are officers in the Company, will not be less than the share price on the date of the decision of the Board of Directors regarding the grant and in any case will not be less than the average price of a Company share on the Stock Exchange during thirty (30) trading days preceding the date of the Board's decision approving granting the equity based compensation to the offeree. Unless determined otherwise by the Company's Board of Directors, the exercise price will be adjusted as a result of a dividend distribution.

37. In case of options, exercising might be done by way of cashless exercise, cash or a combination of the two, as determined by the Board of Directors.

38. The value of the annual grant at the time of granting the options (and in relation to equity based remuneration made in cash, such as "phantom" shares – the payment date) will not exceed:

Position	Maximum annual benefit value
CEO	12 times the Base Salary
Active Board Chairperson / active directors who provide services to the Company[4]	10 times the Base Salary
Other officers (excluduing directors but including directors who hold other positions in the Company)	10 times the Base Salary

Calculating the value of the annual bonus will be done based on linear division over the vesting period and not based on registering an accounting expense (meaning – the economic value at the time of the grant, divided by the number of vesting years).

The aforesaid in this section shall not apply to an equity based remuneration to a director, except for an active chairman of the board and except for a director who provides services to the company.
With regard to equity grants to directors, who are not engaged by the Company in other position, the value of the grant, upon its issuance date, shall be limited according to section 53 hereinafter.

39. Unless the Board of Directors determined otherwise in regard to a certain offeree or a certain bonus (a determination that will not be subject to the approval of shareholders, unless the said approval is required according to the applicable law) and a provision as said was included in the relevant allotment agreement, then the securities will vest (becoming exercisable) along a period of at least 3 years.

40. The Board of Directors will be entitled to determine that in case of merging the Company (a merger of the Company with another or into another corporation or selling all or most of the Company assets or shares) or a change in control of the Company or a material investment event in the Company (an investment being "material" will be determined by the Company's Board of Directors) or selling or granting an exclusive license for most of the Company's intellectual property, an acceleration of all or part of the remaining securities yet to be vested will be done.

41. The period of exercising each vested security will be up to 10 years from the date of granting it (or a shorter period as determined by the Company organs).

42. The Remuneration Committee will be entitled to condition vesting of securities, all or part thereof, by achieving additional targets determined on the allotment date and to also determine conditions for depriving securities yet to be vested from an officer.

43. Every allotment will be subject to receiving the approval of the Stock Exchange and complying with the conditions determined in the Stock Exchange regulations and guidelines, including in regard to a minimal share price.

g. <u>Ending office</u>

44. All the officers will be entitled to release of funds accumulated in their favor and their name in designated provident funds for pension and severance pay.

45. All the officers engaged in employee-employer relations, will be entitled to severance pay according to the requirements of the Severance Pay Law.

[4] The aforementioned shall not apply to the current terms of office of the Board Chairperson, Mr. Shmuel Donnerstein

46. Company officers will be entitled to an advanced notice period and adjustment bonus in terms of salary upon ending their employment (if ending their employment is not under circumstances depriving their entitlement to severance pay) as described in the following table:

	Maximal advanced notice period (in months)	**Maximal adjustment period (in months)**
Company CEO	5	4
Other officers	4	3
Active Board Chairperson	3	3

The Company's Board of Directors will have the option of shortening the advanced notice period.

During the advanced notice period, an officer is required to continue to actually be employed by the Company. During the advanced notice period, the employee-employer relations between the Company and the officer will continue to apply and therefore, the officer will be entitled to all remuneration components, including the annual bonus that the officer will be entitled to if he continues to actually be employed by the Company, proportionally to the period of actually working that year. Notwithstanding the said, the Company's Board of Directors will be entitled to waive an officer's work during the advanced notice period, entirely or partially, provided that the Company or an investee company, as applicable, will continue to pay the remuneration and accessory conditions due to the officer according to the agreement with the officer for the entire advanced notice period.

h. <u>Indemnity, exemption and insuring the liability of officers</u>

47. Company officers and directors will be entitled to officers' liability insurance and exemption and indemnity letters according to the provisions of the law, as approved by the Company and provided (if provided) from time to time.

48. The main terms of directors and officers liability insurance will be:

48.1 The liability limit will not exceed 25 million USD per event and per annual insurance period, plus additional expenses.

48.2 The premium and deductibles will be according to the market conditions for that year as valid at the time of preparing the insurance policy and the cost will not be material to the Company. The Company will consult with its external insurance consultants to establish the market conditions as said.

49. Directors and officers liability insurance (run-off) – the Company will be entitled to purchase a run-off directors and officers liability insurance policy for directors and officers that served in regard to the relevant activity, subject to the following conditions: (a) the insurance period will not exceed 7 years, (b) the liability limit will not exceed 25 million USD and the minimum will be the liability limit of the previous policy, (c) the cost of premium and deductibles will be according to market conditions at the time of preparing the insurance policy and the cost will not be material to the Company. The Company will consult with its external insurance consultants to establish the market conditions.

50. Any purchase of any officers insurance policy as said or renewal thereof during the validity of this Remuneration Policy, will not require any additional approval by Company shareholders, provided that the Remuneration Policy was approved by the Company's General Meeting and that the Company's Remuneration Committee confirmed that the purchased policies comply with the above terms, are in accordance with market conditions and cannot materially affect the Company's profitability, property or liabilities.

i. Directors remuneration

51. The Company's directors, including external directors and directors included among controlling parties or interested parties in the Company, except for directors serving in an active position (such as: the Board Chairperson or a director who serves as an officer of the Company) or an additional position in the Company or service providers to the Company that receive compensation for their service, will be entitled to remuneration according to the Companies Ordinances (Rules regarding Remuneration and Expenses of External Directors), 5760-2000, as determined by the Company, from time to time, according to the Company's rating. An inactive chairman of the Board of Directors will be entitled to remuneration of up to 2 times the remuneration paid to an ordinary director.

52. Notwithstanding the aforesaid, the following actions will not be considered excluding this policy, provided, if necessary, that the said actions were duly approved by the required organs according to the provisions of the Companies Law:

    52.1 A director waived the remuneration due to him, entirely or any part thereof;

    52.2 The organs authorized according to the law approved another or additional payment for a director for his office in an additional position in the Company or an associated company.

53. The Company will be entitled to grant Company directors, including external directors, equity-based compensation according to the restrictions stipulated in this Remuneration Policy and subject to the provisions of the law, provided that the value of the annual grant at the time of granting the options, for each director (excluding directors engaged in other positions by the Company) will not exceed US$ [50,000] for each vesting year. The maximum annual benefit value of equity grant to directors engaged in other positions by the Company is subject to the limit of the bonus value included in section 38 above.

j. Additional general provisions

54. Officers to whom this Remuneration Policy will apply, can be Company employees or independent contractors providing services to the Company. If an officer will provide services to the Company as an independent contractor, the provisions of the Remuneration Policy will apply, *mutatis mutandis*, the remuneration of the officer will be paid in exchange for an invoice and the remuneration components will be normalized, so that in overall economic terms, they will align with the said in this policy.

55. The Remuneration Policy will apply to remuneration approved as of the date of adopting the policy by the Company and thereafter. Note that this Remuneration Policy will not undermine existing engagements between the Company and its officers.

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Exhibit 10.4

AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

THIS AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (this "**Agreement**") made as of the 13 day of October 2020, by and among Rail Vision Ltd., a company incorporated under the laws of Israel (the "**Company**"), Knorr-Bremse Systeme für Schienenfahrzeuge GmbH, a company incorporated under the laws of Germany ("**KB**") and Foresight Autonomous Holdings Ltd., ("**Foresight**") (KB and Foresight shall be referred to each as an "**Investor**" and collectively the "**Investors**) and the individuals listed in Schedule II attached hereto (each a "**Founder**", collectively the "**Founders**").

W I T N E S S E T H:

WHEREAS, the Investors, the Founders, and the Company entered into the Investors' Rights Agreement, dated March 14, 2019 (the "**Prior Agreement**"); and

WHEREAS, the Investors, the Founders and the Company desire to set forth certain matters regarding the ownership of the shares of the Company, thereby amending and replacing the Prior Agreement with the provisions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the parties hereby agree to amend and restate the Prior Agreement to read in its entirety as follows:

1 **Affirmative Covenants.**

1.1 **Delivery of Financial Statements.** The Company shall deliver to (i) each Founder, for as long as such Founder holds at least three percent (3%) of the Company's issued and outstanding share capital (on an as-converted basis); and (ii) each Investor, for as long as such Investor, together with its Permitted Transferees (as defined in the Amended Articles (as defined below)) holds at least three percent (3%) of the Company's issued and outstanding share capital (on an as-converted basis) (each qualified individual or entity pursuant to sub-sections (i) and (ii), a "**Qualified 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 and statement of shareholder equity of the Company as of the end of such year, and consolidated 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, prepared in accordance with United States generally accepted accounting principles ("**GAAP**"), audited by a firm of Independent Certified Public Accountants affiliated with one of the "Big 4" international accounting firms, 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 fairly present 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 GAAP; It is hereby clarified that if, for any reason, the Company is required to report in accordance with International Financial Accounting Standards ("**IFRS**"), they shall be deemed to meet the definition of "GAAP" for the purpose of this document.

1.1.2 As soon as practicable, but in any event within sixty (60) days after the end of each of the first three quarters 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 income and statements of cash flow of the Company for such period and, 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 and certified, by the chief financial officer (or if none, by another 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.

1.2 **Annual Budget.** The management of the Company shall establish annually a comprehensive operating budget for the Company (the "**Annual Budget**"), in consultation with the board of directors. The Annual Budget for the following year shall include, without limitation, a forecast of the Company's revenues and expenses and a cash position on a month-to-month basis, and shall be submitted to the Board for its approval and shall be delivered to each Qualified Holder at least thirty (30) days prior to the first day of the year covered by such Annual Budget.

1.3 **Quarterly Management Report.** The Company shall deliver to the Qualified Holders a quarterly management report within ten (10) days of end of each quarter (i.e. 10th of January, 10th of April, 10th of June, 10th of October of each year) in a concise form agreed by the board of directors of the Company. The management report shall describe: (i) expenditures for the quarter compared to the Annual Budget and year to date expenditures compared to the Annual Budget; (ii) activities and goals planned for the next quarter; and (iii) progress in achieving goals set out for the previous quarter.

1.4 **Additional Information.** Such other information relating to the financial condition, business or corporate affairs of the Company, as such Qualified Holder may from time to time reasonably request.

1.5 **Visitation Rights.** The Company will permit the authorized representatives of each Qualified Holder full and free access, coordinated with the Company at all reasonable times, and upon reasonable prior notice, to any of the properties of the Company and its Subsidiaries (as defined below), including its books and records to review and copy them at each Qualified Holder's discretion, to discuss its affairs, finances and accounts with the Company's (and the Subsidiaries) officers, auditor, accountants and legal advisors and to inspect the properties of the Company and consult with the management of the Company and auditor, for any purpose whatsoever. In addition, the Company will inform the Qualified Holders: (a) immediately upon the happening of any event reasonably likely to have a significant impact upon the Company or its business, of such event and its implications other than an event which effects the public at large or the field in which the Company operates; provided, however, that the Company will immediately inform any Qualified Holder upon the happening of an event having a material adverse effect on the Company and/or its business; and (b) such other information and data with respect to the Company, its parent or its subsidiaries or its affiliated entities as the Qualified Holders may from time to time reasonably request. This Section 1.5 shall not be in limitation of any rights which the Qualified Holders or any director appointed by any Qualified Holder may have under the applicable law. All information and visitation rights shall be subject to customary secrecy and confidentiality undertakings.

1.6 **Accounting.** The Company will maintain and cause each of its Subsidiaries, if any, to maintain a system of accounting established and administered in accordance with GAAP consistently applied, and will set aside on its books and cause each of its operating Subsidiaries, if any, to set aside on its books all such proper reserves as shall be required by GAAP.

1.7 **Proprietary Information and Non-Competition Agreements.** The Company will not employ, or continue to employ, any person who will have access to confidential information with respect to the Company and its Subsidiaries and their operations unless such person has executed and delivered a Proprietary Information and Non-Competition Agreement in the form approved by the board of directors from time to time.

1.8 **Confidentiality.** The Qualified Holders agree that any information obtained pursuant to Sections 1.1 and 1.2 and any other information disclosed to the Qualified Holders relating to the Company of a confidential nature will not be disclosed without the prior written consent of the Company; provided that a Qualified Holder may disclose such information to its officers, directors, employees and advisors on a need to know basis, provided that such officers, directors, employees and advisors are subject to confidentiality obligations similar to the confidentiality obligations of this Agreement, and provided further that, in connection with periodic reports to their shareholders or partners, the Qualified Holder may, without first obtaining such written consent, make general statements, not containing technical or other confidential information, regarding the nature and progress of the Company's business; and provided further, that the Qualified Holder may provide summary information regarding the Company's financial information in their reports to their respective shareholders or partners, but may not annex to such reports the full financial information to be provided hereunder by the Company; and provided further, however, that in the event that a Qualified Holder is required to annex financial information obtained pursuant to Section 1.1 to such reports, such Qualified Holder shall exert its reasonable efforts to avoid annexing such financial information, in a manner consistent with applicable law or regulation and practice, but to the extent that its efforts are unsuccessful, such Qualified Holder shall be entitled to annex such financial information to such reports. For the avoidance of doubt, Confidential Information shall not include any information which: (1) was in the public domain prior to the time of disclosure by the Company; (2) enters the public domain after disclosure by the Company to a Qualified Holder through no action or inaction of such Qualified Holder; (3) is already in the possession of a Qualified Holder free of any obligation of confidentiality at the time of disclosure by the Company; or (3) is required by law to be disclosed by the Qualified Holder; provided that such Qualified Holder shall use all commercially reasonable efforts to maintain the confidentiality of such disclosed information and further provided that the Qualified Holder promptly as practicable notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure. Notwithstanding the foregoing, the Qualified Holder may disclose confidential information relating to the Company to a potential acquirer of the Qualified Holder's shares in the Company provided such potential acquirer or any of its affiliates is not a competitor of the Company and signs a confidentiality agreement, which is delivered to the Company; and further provided, however, that the Company shall not be obligated to provide access to any information if based upon advice of its legal counsel, such disclosure would adversely affect the attorney-client privilege between the Company and its counsel or if such disclosure would create any conflict of interest with the Company.

1.9 **Director and Officers Insurance.** Within 90 days following the date hereof, the Company will obtain and maintain, with financially sound and reputable insurers (and shall pay all premiums and maintain in full force and effect), a Directors and Officers Indemnity Insurance ("**D&O**") for acts and omissions of the members of the board of directors with a coverage amount as shall be determined by the board of directors. Such D&O shall remain in effect for as long as the members of the board of directors appointed by the Qualified Holders are in office.

1.10 **Employee Share Option Plan.** Unless otherwise approved by the board of directors all options granted to employees under the Company's Employee Share Option Plan shall have (i) vesting of shares over a three (3) year period, with the first thirty three and one third percent (33.3%) of such shares vesting following twelve (12) months of continued employment or service, and the remaining shares vesting in equal quarterly installments over the following twelve (8) quarters; and (ii) a "Lock-Up" provision substantially similar to that in Subsection 2.11 herein.

1.11 **Termination of Financial Information Rights.** The Company's obligation to deliver the financial statements and other information under Sections 1.1, 1.2, 1.3, 1.4 and 1.5 shall terminate and shall be of no further force or effect upon the closing of the Company's initial public offering of its Ordinary Shares (the "**IPO**"). Thereafter, the Company shall deliver to the Qualified Holders, and its assignees or transferees, such financial information as the Company from time to time provides to other holders of its shares.

1.12 **Subsidiaries.** The provisions of this Section 1 shall apply to any Subsidiary of the Company. For purposes of this Section 1, "**Subsidiary**" means any corporation or entity at least a majority of whose voting securities or voting rights are at the time owned or held by the Company, or by one or more Subsidiaries, or by the Company and one or more Subsidiaries.

2 **Registration.** The following provisions govern the registration of the Company's securities:

2.1 **Definitions.** As used herein, the following terms shall have the following meanings:

"Amended Articles" means the Amended and Restated Articles of Association of the Company, as amended from time to time.

"**Excluded Registration**" means (i) a registration relating to the sale or grant of securities to employees of the Company or a subsidiary pursuant to a share option, share purchase, or similar plan; or (ii) a registration relating to a SEC Rule 145 transaction.

"**Form F-3**" means Form F-3 under the Securities Act of 1933, as amended (the "**Securities Act**"), as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the Securities and Exchange Commission ("**SEC**") which permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

"**Founder Registrable Securities**" means (i) Ordinary Shares held by the Founders, and (ii) any Ordinary Shares 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 such shares; *provided*, *however*, that (a) any Ordinary Share that is sold in a registered sale pursuant to an effective registration statement under the Securities Act or pursuant to Rule 144 thereunder or that may be sold (as confirmed by an unqualified opinion to counsel of the Company) without restriction as to volume or otherwise pursuant to Rule 144(k) under the Securities Act; or (b) shares sold in a transaction in which the transferor's rights under this Agreement are not assigned in accordance with the provisions herein - shall not be deemed Founder Registrable Securities.

"**Holder**" means any holder of outstanding Registrable Securities or shares convertible into Registrable Securities or any assignee thereof in accordance with Section 2.10 of this Agreement.

"**Initiating Holders**" means Holders holding more than forty percent (40%) of the Registrable Securities (which shall include the Investors, but excluding, for the avoidance of doubt, the Founder Registrable Securities), assuming for purposes of such determination the conversion of all shares convertible into Registrable Securities.

"**KB**" means Knorr-Bremse Systeme fur Schienenfahrzeuge GmbH, a company incorporated under the laws of Germany, and/or any of its Permitted Transferees.

"**Ordinary Shares**" mean ordinary shares of the Company par value NIS 0.01 each.

"**Preferred Shares**" mean the any class of preferred shares 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 Securities**" means (i) all Ordinary Shares issuable upon conversion of the Preferred Shares, (ii) all Ordinary Shares issued by the Company 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) above, (iii) the Founder Registrable Securities; *provided, however*, that such Founder Registrable Securities shall not be deemed Registrable Securities and the Founders shall not be deemed Holders for the purposes of Sections 2.3 and 2.4 and (iv) all Ordinary Shares that the Investors may hereafter purchase pursuant to their preemptive rights, rights of first refusal or otherwise, or Ordinary Shares issued on conversion or exercise of other securities so purchased; *provided, however*, that any Ordinary Shares that could be distributed by the holder thereof (in accordance with applicable law) within any three (3) month period pursuant to Rule 144 promulgated under the Securities Act, if such securities then held by such Holder constitute less than one percent (1%) of the Company's outstanding equity securities shall not be deemed to be Registrable Securities.

"**Restricted Securities**" means the securities of the Company required to be notated with the legend set forth in Section 2.18(a) hereof.

2.2 **Incidental ("Piggy-Back") Registration.** If the Company at any time proposes to register any of its securities, other than in connection with (i) an IPO in which no Holder is selling any Registrable Securities; or (ii) a registration under Section 2.3 or Section 2.4 of this Agreement or on a form S-4 or S-8 or equivalent thereof, it shall give notice to the Holders of such intention. Upon the written request of any Holder given within twenty (20) days after receipt of any such notice, the Company shall include in such registration all of the Registrable Securities indicated in such request, so as to permit the disposition of the shares so registered. Notwithstanding any other provision of this Section 2.2, if the managing underwriter advises the Company in writing that marketing factors require a limitation of the number of shares to be underwritten, then there shall be excluded from such registration and underwriting to the extent necessary to satisfy such limitation, *first* shares held by Qualified Holders other than the Investors, and *second*, Founder Registrable Securities (in each case on a pro rata basis and pro rata to the respective number of Registrable Securities required by the Holders to be included in the registration); *provided*, *however*, that, notwithstanding anything to the contrary herein, the aggregate amount of Registrable Securities (other than the Founder Registrable Securities) which shall have the right to participate in any proposed registration following the IPO shall not be reduced below twenty-five percent (25%) of the aggregate amount of securities included in such offering. If the offering is the IPO, the aggregate amount of Registrable Securities may be excluded further if the underwriters make the determination described above and no other stockholder's securities are included in such offering. Any Registrable Securities excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2.2 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration.

2.3 **Form F-1 Demand Registration.** At any time beginning six (6) months following the closing of an IPO and continuing until five (5) years following the closing of an IPO, the Initiating Holders may request in writing that all or part of the Registrable Securities shall be registered for trading on any securities exchange or under any market system as to which any of the Company's Ordinary Shares are then admitted for trading. Any such demand must request the registration of shares in a minimum amount of five million United States dollars ($5,000,000). Within twenty (20) days after receipt of any such request, the Company shall give written notice of such request to the other Holders (the "**Demand Notice**") and shall include in such registration all Registrable Securities held by all such Holders who wish to participate in such demand registration and provide the Company with written requests for inclusion therein within fifteen (15) days after the receipt of the Company's notice. Thereupon, as soon as practical, and in any event within sixty days (60) the Company shall effect the registration of all Registrable Securities as to which it has received requests for registration for trading on the securities exchange specified in the request for registration; *provided*, *however*, that the Company shall not be required to effect any registration under this Section 2.3 within a period of one hundred and eighty (180) days following the effective date of a previous registration. Notwithstanding any other provision of this Section 2.3, if the managing underwriter advises the Holders in writing that marketing factors require a limitation of the number of shares to be underwritten, then such shares shall be excluded from such registration and underwriting to the extent necessary to satisfy such limitation, *first* shares held by Qualified Holders other than the Investors, and *second*, Founder Registrable Securities (if any) (in each case on a pro rata basis and pro rata to the respective number of Registrable Securities required by the Holders to be included in the registration); *provided*, *however*, that in any event all Registrable Securities must be included in such registration prior to any other shares of the Company. The Company shall not register securities for sale for its own account in any registration requested pursuant to this Section 2.3 unless permitted to do so by the Initiating Holders. The Company shall not be required to effect more than two (2) registrations under this Section 2.3. The Company shall not be required to effect a registration pursuant to this Section 2.3 if (i) the Company shall furnish to Holders requesting a registration statement pursuant to this Section 2.3 a certificate signed by the Company's Chief Executive Officer or Chairman of the Board stating that, in the good faith judgment of the Board, it would be seriously detrimental to the Company or 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 one hundred twenty (120) days after receipt of the request of the Initiating Holders under this Section 2.3, 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 (ii) during the period starting with the date sixty (60) days prior to the Company' s estimated date of filing of, and ending on the date six (6) months immediately following the effective date of, any registration statement pertaining to securities of the Company (other than a registration of securities in a Rule 145 transaction or with respect to an employee benefit plan), provided that the Company is actively employing in good faith reasonable efforts to cause such registration statement to become effective and that the Company's estimate of the date of filing such registration statement is made in good faith. A registration shall not be counted as "effected" for purposes of this Section 2.3 until such time as the applicable registration statement has been declared effective by the SEC, unless the Initiating Holders withdraw their request for such registration, elect not to pay the registration expenses therefor pursuant to Section 2.6 below, in which case such withdrawn registration statement shall be counted as "effected" for purposes of this Section 2.3; provided, that if such withdrawal is during a period the Company has deferred taking action pursuant to this Section 2.3, then the Initiating Holders may withdraw their request for registration and such registration will not be counted as "effected" for purposes of this Section 2.3. The Company shall not be required to effect a registration pursuant to this Section 2.3 in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance.

2.4 **Form F-3 ("Shelf") Registration.** Following an IPO, in the event that the Company shall receive from any Holder or Holders a written request or requests that the Company effect a registration on Form F-3, and any related qualification or compliance, with respect to Registrable Securities where the aggregate net proceeds from the sale of such Registrable Securities equal not less than $3,000,000, the Company will within twenty (20) days after receipt of any such request give written notice of the proposed registration, and any related qualification or compliance, to all other Holders, and include in such registration all Registrable Securities held by all such Holders who wish to participate in such registration and provide the Company with written requests for inclusion therein within fifteen (15) days after the receipt of the Company's notice. Thereupon, the Company shall effect such registration and all such qualifications and compliances as soon as practicable but in no event later than forty five (45) days from the Holder's initial request, and as would permit or facilitate the sale and distribution of all or such portion of such Holder' s or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within fifteen (15) days after receipt of such written notice from the Company; provided, however, if the managing underwriter advises the Holders in writing that marketing factors require a limitation of the number of shares to be underwritten, then, such shares shall be excluded from such registration and underwriting, to the extent necessary to satisfy such limitation, *first* shares held by Qualified Holders other than the Investors, and *second*, Founder Registrable Securities (if any) (in each case on a pro rata basis and pro rata to the respective number of Registrable Securities required by the Holders to be included in the registration); *provided, however*, that the Company shall not be obligated to effect any such registration, qualification or compliance, pursuant to this Section 2.4, (i) if Form F-3 is not available for such offering by the Holders; (ii) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public of less than $3,000,000; (iii) if the Company shall furnish to the Holders a certificate signed by the Company's Chief Executive Officer or Chairman of the Board stating that in the good faith judgment of the Board it would be seriously detrimental to the Company or its shareholders for such Form F-3 registration statement to be effected at such time, in which event the Company shall have the right to defer the filing of the Form F-3 registration statement for a period of not more than one hundred twenty (120) days after receipt of the request of the Holder or Holders under this Section 2.4; provided, however, that the Company shall not utilize this right more than once in any twelve (12) month period; (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 2.4; (v) during the period starting with the date sixty (60) days prior to the Company's estimated date of filing of, and ending on the date six (6) months immediately following the effective date of, any registration statement pertaining to securities of the Company (other than a registration of securities in a Rule 145 transaction or with respect to an employee benefit plan), provided that the Company is actively employing in good faith reasonable efforts to cause such registration statement to become effective and that the Company' s estimate of the date of filing such registration statement is made in good faith; or (vi) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance.

At the request of the Initiating Holder requesting a registration on Form F-3 (or comparable or successor form), such registration statement shall be a "shelf" registration statement for an offering to be made on a delayed or continuous basis pursuant to Rule 415 or any successor rule under the Securities Act (the "**Shelf Registration Statement**").

2.5 **Designation of Underwriter.**

(a) The Company shall not be required under these Sections 2.2, 2.3 and 2.4 above to include any of the Holders' securities in such underwriting unless such Holder accepts the terms of the underwriting agreement as agreed upon between the Company and the underwriters selected by it (or by other persons entitled to select the underwriters pursuant to this Section 2.5) and enters into an underwriting agreement in customary form with an underwriter or underwriters selected by the Company.

(b) In the case of any registration effected pursuant to Section 2.3 or 2.4, the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to Section 2.3 or Section 2.4, and the Company shall include such information in the Demand Notice. The Initiating Holders and the Company shall mutually designate the managing underwriter(s) in any underwritten offering.

(c) In the case of registration effected initiated by the Company, the Company shall have the right to designate the managing underwriter in any underwritten offering.

(d) To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest one hundred (100) shares.

2.6 **Expenses.** All reasonable expenses, including the reasonable fees and expenses of one counsel for the Initiating Holders which will not exceed $150,000, incurred in connection with any registration under Section 2.2, Section 2.3 or Section 2.4 shall be borne by the Company; provided, however, that each of the Holders participating in such registration shall pay its pro rata portion of discounts or commissions payable to any underwriter and stock transfer taxes. The Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Sections 2.2, 2.3 or 2.4 if the registration request is subsequently withdrawn at the request of the Initiating Holders or any other holders of a majority of the Registrable Securities (other than, for the avoidance of doubt, the Founder Registrable Securities) included in such request for registration (other than as a result of information which is made known by the Company to the Qualified Holders after the date on which such registration was requested which could reasonably have a material adverse effect on the business or financial condition of the Company) and in which case all Initiating Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration, unless the Holders of a majority of the Registrable Securities agree to forfeit their right to one registration pursuant to Section 2.3.

2.7 **Indemnities.** In the event of any registered offering of Registrable Securities pursuant to this Section 2:

2.7.1 The Company will indemnify and hold harmless, to the fullest extent permitted by law, any Holder (and each of its director, partners and officers) and any underwriter for such Holder, and each other person, if any, who controls the Holder or such underwriter, from and against any and all losses, damages, claims, liabilities, joint or several, costs and expenses (including any amounts paid in any settlement effected with the Company's consent) to which the Holder or any such underwriter or controlling person may become subject under applicable law or otherwise, insofar as such losses, damages, claims, liabilities (or actions or proceedings in respect thereof), costs or expenses arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in the registration statement or included in the prospectus, as amended or supplemented, or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances in which they are made, not misleading, and the Company will reimburse the Holder, such underwriter and each such controlling person of the Holder or the underwriter, promptly upon demand, for any reasonable legal or any other expenses 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, action or proceeding; *provided*, *however*, that the Company will not be liable in any such case to the extent that any such loss, damage, liability, cost or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in conformity with information furnished in writing by a Holder, such underwriter or such controlling persons in writing specifically for inclusion therein; provided, further, that this indemnity shall not be deemed to relieve any underwriter of any of its due diligence obligations or from its obligations under the underwriting agreement; provided, further, that the indemnity agreement contained in this subsection 2.7.1 shall not apply to amounts paid in settlement of any such claim, loss, damage, liability or action if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the selling shareholder, the underwriter or any controlling person of the selling shareholder or the underwriter, and regardless of any sale in connection with such offering by the selling shareholder. Such indemnity shall survive the transfer of securities by a selling shareholder.

2.7.2 Each Holder participating in a registration hereunder will indemnify and hold harmless the Company (and each of its directors and officers), any underwriter for the Company, and each person, if any, who controls the Company or such underwriter, from and against any and all losses, damages, claims, liabilities, costs or expenses (including any amounts paid in any settlement effected with the selling shareholder' s consent) to which the Company or any such controlling person and/or any such underwriter may become subject under applicable law or otherwise, insofar as such losses, damages, claims, liabilities (or actions or proceedings in respect thereof), costs or expenses arise out of or are based on (i) any untrue or alleged untrue statement of any material fact contained in the registration statement or included in the prospectus, as amended or supplemented, or (ii) the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading, but, in each case, only to the extent of such information relating to such Holder and provided in writing by such Holder, and each such Holder will reimburse the Company, any underwriter and each such controlling person of the Company or any underwriter, promptly upon demand, for any reasonable legal or other expenses 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, action or proceeding; in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was so made in conformity with written information furnished by such Holder specifically for inclusion therein. The foregoing indemnity agreement shall be individual and several by each Holder. The foregoing indemnity is also subject to the condition that, insofar as it relates to any such untrue statement (or alleged untrue statement) or omission (or alleged omission) made in the preliminary prospectus but eliminated or remedied in the amended prospectus at the time the registration statement becomes effective or in the final prospectus, such indemnity agreement shall not inure to the benefit of (i) the Company, (ii) any underwriter and any person, if any, controlling the Company or the Underwriter, if a copy of the Final Prospectus was not furnished (although it was required to be furnished by applicable law or agreement) to the person or entity asserting the loss, liability, claim or damage at or prior to the time such furnishing is required by the Securities Act. The foregoing indemnity agreement is subject to the condition that, insofar as it relates to any such untrue statement (or alleged untrue statement) or omission (or alleged omission) made in the preliminary prospectus but eliminated or remedied in the amended prospectus at the time the registration statement becomes effective or in the final prospectus, such indemnity agreement shall not inure to the benefit of (i) the Company or any party that controls the Company, and (ii) any underwriter, if a copy of the final prospectus was not furnished to the person or entity asserting the loss, liability, claim or damage at or prior to the time such furnishing is required by the Securities Act; provided, further, that this indemnity shall not be deemed to relieve any underwriter of any of its due diligence obligations or other obligations under the underwriting agreement; provided, further, that the indemnity agreement contained in this subsection 2.7.2 shall not apply to amounts paid in settlement of any such claim, loss, damage, liability or action if such settlement is effected without the consent of the Holders, as the case may be, which consent shall not be unreasonably withheld. In no event shall the liability of a Holder exceed the net proceeds from the offering received by such Holder.

2.7.3 Promptly after receipt by an indemnified party pursuant to the provisions of Sections 2.7.1 or 2.7.2 of notice of the commencement of any action (including any governmental 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 2.7.1 or 2.7.2, promptly notify the indemnifying party of the commencement thereof; but the omission to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than hereunder, unless the failure to give such notice is materially prejudicing to an indemnifying party's ability to defend such action. 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 to be reasonably approved by the indemnifying party. After notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party pursuant to the provisions of said Sections 2.7.1 or 2.7.2 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, who was approved by the indemnifying party (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 30 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.

2.7.4 If recovery is not available under the foregoing indemnification provisions, for any reason other than as specified therein, the parties entitled to indemnification by the terms thereof shall be entitled to contribution to liabilities and expenses as more fully set forth in an underwriting agreement to be executed in connection with such registration. In determining the amount of contribution to which the respective parties are entitled, there shall be considered the parties' relative knowledge and access to information concerning the matter with respect to which the claim was asserted, the opportunity to correct and prevent any statement or omission, and any other equitable considerations appropriate under the circumstances. In no event shall the liability of a Holder exceed the net proceeds from the offering received by such Holder.

2.8 **Obligations of the Company.** Whenever required under this Section 2 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as possible:

2.8.1 prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its best efforts to cause such registration statement to become effective, and, upon the request of the holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to twelve (12) months or, if sooner, until the distribution contemplated in the Registration Statement has been completed. In the event of a Shelf Registration the Company shall use its commercially reasonable efforts to keep such Shelf Registration Statement continuously effective for a period ending on the earlier to occur of (a) the latest date on which the Company may keep such Shelf Registration Statement continuously effective under Rule 415, (b) when all Registrable Securities covered by the Shelf Registration Statement are sold, or (c) at such time that Registrable Securities could be sold pursuant to Rule 144 promulgated under the Securities Act.

2.8.2 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 Securities covered by such registration statement.

2.8.3 furnish to the Qualified 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 Securities owned by them.

2.8.4 in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, with the managing underwriter of such offering, provided that each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement.

2.8.5 notify each holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Act of the happening of any event that comes to its knowledge, 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.

2.8.6 cause all Registrable Securities registered pursuant hereunder to be listed on each securities exchange on which similar securities issued by the Company are then listed.

2.8.7 provide a transfer agent and registrar for all Registrable Securities registered pursuant hereunder and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration.

2.8.8 furnish, at the request of any Qualified Holder requesting registration of Registrable Securities pursuant to this Section 2, on the date that such Registrable Securities are delivered to the underwriters for sale in connection with a registration pursuant to this Section 2, 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 such date, of the counsel representing the Company for the purposes of such registration, as reasonably required for such registration, addressed to the underwriters, if any, and to the Qualified Holders requesting registration of Registrable Securities and (ii) a letter dated such date, from the independent certified public accountants of the Company, as reasonably required for the purposes of such registration, addressed to the underwriters, if any, and to the Qualified Holders requesting registration of Registrable Securities.

2.9 **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, except where such consent is not required under the Amended Articles, in connection with an issuance of shares having rights, privileges and preferences in parity with or superior to the Shares held by the Investors, enter into any agreement with any holder or prospective holder of any securities of the Company that would allow such holder or prospective holder (a) to include such securities in any registration filed under Section 2 hereof, unless under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of such securities will not reduce the amount of the Registrable Securities of the Qualified Holders that are included; or (b) to demand registration of their securities.

2.10 **Assignment of Registration Rights.** Each Qualified Holder may assign its rights to cause the Company to register shares pursuant to this Section 2 to any transferee or assignee of all or any part of its Registrable Securities provided that such transfer is in accordance with the Company's Amended Articles.

2.11 **Lock-Up.** In the event of an IPO, the parties hereto will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the IPO and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred and eighty (180) days in connection with the IPO and ninety (90) days in connection with any other offering, as is required by the underwriter in such offering) (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 Ordinary Shares or any securities convertible into or exercisable or exchangeable for Ordinary Shares (whether such shares or any such securities are then owned by the shareholder 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 Ordinary Shares, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise, provided that such obligation shall only apply if the officers, directors of the Company and other shareholders who hold at least five percent (5%) of the issued and outstanding capital are subject to the same restrictions and any release from such "lock-up" will be on a pro rata basis among all such lock-up parties. The underwriters in connection with the registration statement so filed are intended third party beneficiaries of this Section 2.11 and shall have the right, power and authority to enforce the provisions hereof if they were a party hereto. The foregoing provisions of this Section shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the Ordinary Shares (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period.

2.12 **Public Information.** At any time and from time to time after the earlier of the close of business on such date as (a) a registration statement filed by the Company under the Securities Act becomes effective, (b) the Company registers a class of securities under Section 12 of the United States Securities Exchange Act of 1934, as amended, or any federal statute or code which is a successor thereto (the "**Exchange Act**"), or (c) the Company issues an offering circular meeting the requirements of Regulation A under the Securities Act, the Company shall undertake to make publicly available such information as is necessary to enable the Qualified Holders to make sales of Registrable Securities pursuant to Rule 144. The Company shall comply with the current public information requirements of Rule 144.

2.13 **Non-US Offerings.** The provisions of this Section 2 shall apply, mutatis mutandis, to any registration of the securities of the Company outside of the United States.

2.14 **Conditions to Registration Obligation.** The Company shall not be obligated to effect the registration of Registrable Securities pursuant to this Agreement on behalf of a Holder unless such Holder consents to the following conditions:

2.14.1 conditions requiring the Holder to comply with all applicable provisions of the Securities Act and the Exchange Act, including, but not limited to, the prospectus delivery requirements of the Securities Act and Israeli law and regulations covering offering securities to the public, and to furnish to the Company information regarding sales to be made by the Holder in such public offering;

2.14.2 conditions prohibiting the Holder upon receipt of telegraphic or written notice from the Company that it is required by law to correct or update the registration statement or prospectus from effecting sales of the Registrable Securities, as applicable, until the Company has completed the necessary correction or updating;

2.14.3 conditions prohibiting the sale of Registrable Securities by such Holder, during the process of the registration until the registration statement is effective; and

2.14.4 conditions under which such Holder agrees to sell its securities on the basis provided in any customary underwriting arrangements; and

2.14.5 conditions requiring such Holder to provide relevant information and to complete and execute all reasonable and customary questionnaires, powers of attorney, indemnities, underwriting agreements, and other documents required of such Holder under the terms of customary underwriting arrangements.

2.15 **Obligations of the Selling Holders.** Whenever Holders are requesting registration of Registrable Securities, pursuant to this Agreement such Holders shall, subject to compliance with Section 2.14 above, as soon as possible:

2.15.1 authorize its local counsel to furnish, at the request of the Company, on or about the date that such Registrable Securities are delivered to the underwriters for sale in connection with a registration pursuant to this Agreement, if such securities are being sold through underwriters, or if such securities are not being sold through underwriters, on or about the date that the registration statement with respect to such securities becomes effective, an opinion, as reasonably required for the purposes of such registration.

2.15.2 in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, and custody and power of attorney agreement, in usual and customary form, with the managing underwriter of such offering, provided that the Company shall also enter into and perform its obligations under such agreement.

2.15.3 furnish to the Company, or its counsel, such information in writing as the Company may reasonably request, as is required to be included in the registration statement and supplements to such registration statement in compliance with the provisions of the Securities Act.

2.16 No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any registration pursuant to this Agreement as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.17 **Termination of Registration Rights.** The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Section 2.2, 2.3 and 2.4 shall terminate upon the earliest to occur of:

(a) the closing of a Deemed Liquidation, as such term is defined in the Amended Articles;

(b) such time after consummation of the IPO as rule 144 promulgated under the Securities Act or another similar exemption under the Securities Act is available for the offer and sale of all of such Holder's Registrable Securities without limitation during a three-month period without registration; and

2.18 **Restrictions on Transfers.**

(a) All certificates representing Registrable Securities shall have endorsed thereon a legend to substantially the following effect:

"THE SECURITIES REPRESENTED HEREBY HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. SUCH SHARES MAY NOT BE SOLD, PLEDGED, OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR A VALID EXEMPTION FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SAID ACT."

"THE SALE OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS OF THE COMPANY'S ARTICLES OF ASSOCIATION, AS AMENDED FROM TIME TO TIME AND ANY AGREEMENT BY AND AMONG THE HOLDER HEREOF AND THE COMPANY. A COPY OF SUCH AGREEMENTS IS ON FILE AT THE COMPANY'S PRINCIPAL PLACE OF BUSINESS."

The Holders consent to the Company making a notation in its records and giving instructions to any transfer agent of the Restricted Securities in order to implement the restrictions on transfer set forth in this Section 2.18.

(b) The holder of such Restricted Securities, by acceptance of ownership thereof, agrees to comply in all respects with the provisions of this Agreement. Before any proposed sale, pledge, or transfer of any Restricted Securities, unless there is in effect a registration statement under the Securities Act covering the proposed transaction, the Holder thereof shall give notice to the Company of such Holder's intention to effect such sale, pledge, or transfer. Each such notice shall describe the manner and circumstances of the proposed sale, pledge, or transfer in sufficient detail and, if reasonably requested by the Company, shall be accompanied at such Holder's expense by either (i) a written opinion of legal counsel who shall, and whose legal opinion shall, be reasonably satisfactory to the Company, addressed to the Company, to the effect that the proposed transaction may be effected without registration under the Securities Act; (ii) a "no action" letter from the SEC to the effect that the proposed sale, pledge, or transfer of such Restricted Securities without registration will not result in a recommendation by the staff of the SEC that action be taken with respect thereto; or (iii) any other evidence reasonably satisfactory to counsel to the Company to the effect that the proposed sale, pledge, or transfer of the Restricted Securities may be effected without registration under the Securities Act, whereupon the Holder of such Restricted Securities shall be entitled to sell, pledge, or transfer such Restricted Securities in accordance with the terms of the notice given by the Holder to the Company. The Company will not require such a legal opinion or "no action" letter (x) in any transaction in compliance with SEC Rule 144; or (y) in any transaction in which such Holder distributes Restricted Securities to an Affiliate of such Holder for no consideration; provided that each transferee agrees in writing to be subject to the terms of this Section 2.18. Each certificate, instrument, or book entry representing the Restricted Securities transferred as above provided shall be notated with, except if such transfer is made pursuant to SEC Rule 144, the appropriate restrictive legend set forth in Section 2.18(a), except that such certificate instrument, or book entry shall not be notated with such restrictive legend if, in the opinion of counsel for such Holder and the Company, such legend is not required in order to establish compliance with any provisions of the Securities Act.

2.19 **Registration Preference**. If any factors arise which require a limitation of any of the registration rights granted hereunder and are limited in the amount of securities which may be registered thereunder by the Holders, then the Holders of Preferred Shares, with respect to their Preferred Shares only, shall have preference over all other Holders of the Company with respect to the applicable registration listing and/or sale of their Preferred Shares in connection therewith.

3 **Foreign Corrupt Practices Act of 1977 and Other Applicable Anti-Bribery Laws.** The Company recognizes that it is beneficial to it and its shareholders to comply with the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "**FCPA**") and other applicable anti-bribery laws, rules or regulations. Neither the Company nor any director, officer, agent, employee, or other person acting on behalf of the Company has or will, directly or indirectly, violate any provision of the FCPA or any such other applicable anti-bribery laws, rules or regulations, including: (i) use any Company funds for unlawful contributions, gifts, entertainment, or other expenses relating to political activity; (ii) make any unlawful payment to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns from Company funds; (iii) establish or maintain any unlawful or unrecorded fund of Company moneys or other assets; or (iv) make or receive any unlawful bribe, rebate, payoff, influence payment, kickback, or other payment. The Company shall promptly notify the Qualified Holders should the Company become aware of any enforcement action pursuant to the FCPA.

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.** 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 court for Tel Aviv-Jaffa district, and each of the parties hereby submits irrevocably to the 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.

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 replace any prior understandings between the parties with respect to the subject matters hereof, including the Prior Agreement. Any term of this Agreement may be 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 of at least 50% of the Registrable Securities held by the Qualified Holders (which shall include the Investors). This Agreement may not be amended, and no provision hereof may be waived, in each case, in any way which would adversely affect the rights of the Founders hereunder in a manner disproportionate to any adverse effect such amendment or waiver would have on the rights of the other holders of Registrable Securities hereunder, without also obtaining the written consent of the majority in interest among the Founders.

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 registered or certified mail, postage prepaid, or otherwise delivered by hand or by messenger, addressed to such party's address as set forth below or at such other address as the party shall have furnished to each other party in writing in accordance with this provision:

if to the Investors:	Their addresses in Schedule I hereto With a copy (which shall not constitute notice) to: As indicated in Schedule I
if to the Founders:	Their addresses in Schedule II hereto
if to the Company:	Rail Vision Ltd. 15 Ha-Tidhar Street Ra'anana, 4366517 Israel Fax: +972-9-9578200 Attn: Ofer Naveh Email: ofer@railvision.io with a copy (which shall not constitute notice) to: Shibolet & Co. Facsimile: +972-3-7778444 Attn: Adv. Ido Shomrony Email: i.shomrony@shibolet.com

or such other address with respect to a party as such party shall notify each other party in writing as above provided. Any notice sent in accordance with this Section 4.5 shall be effective (i) if mailed, seven (7) business days after mailing, (ii) if sent by messenger, upon delivery, and (iii) 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 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.

4.7 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.

4.8 Counterparts**.** This Agreement may be executed in any number of counterparts (including by facsimile, scanned and delivered by email or electronic signature), 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.

4.9 Aggregation of Shares**.** All Ordinary Shares held or acquired by affiliated entities or persons shall be aggregated together for the purpose of determining the availability of any rights under this Agreement. For the purpose of this Section 4.9 "affiliated entities or persons" shall mean with respect to any entity or person or its Permitted Transferees (as such term is defined in the Amended Articles).

4.10 Termination. Without derogating from the aforementioned, in the event that the Founder or any Qualified Holder is no longer a share holder of the Company, he shall not be entitled to any of the rights granted herein under this Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have signed this Amended and Restated Investors' Rights Agreement as of the date first hereinabove set forth.

RAIL VISION LTD.

Name: Elen Katz
Title: Chief Executive Officer

Name: Ofer Naveh
Title: Chief Finance Officer

[Signature Page to IRA]

IN WITNESS WHEREOF, the parties have signed this Investors' Rights Agreement as of the date first hereinabove set forth.

FORESIGHT AUTONOMOUS HOLDINGS LTD.

By: _____

Name: _____

Title: _____

[Signature Page to IRA]

IN WITNESS WHEREOF, the parties have signed this Investors' Rights Agreement as of the date first hereinabove set forth.

Elen Joseph Katz

Shachar Hania

Yuval Isbi

Noam Teich

[Signature Page to IRA]

IN WITNESS WHEREOF, the parties have signed this Investors' Rights Agreement as of the date first hereinabove set forth.

KNORR-BREMSE SYSTEME FÜR SCHIENENFAHRZEUGE GMBH

Name: _____
Title: _____

Name: _____
Title: _____

[Signature Page to IRA]

SCHEDULE I

THE INVESTORS

Name	**Address**
Knorr-Bremse Systeme für Schienenfahrzeuge GmbH	Moosacher Str. 80, 80809 München, Germany. Notices by email shall be addressed to the attention of Christian Staby - Christian.Staby@knorr-bremse.com with copies to Dr. Danguole Hackel of Eversheds Sutherland (Germany) LLP – DanguoleHackel@eversheds-sutherland.com and to Adv. _____, which copies shall not constitute notice.
Foresight Autonomous Holdings Ltd.	

SCHEDULE II

FOUNDERS

Name	Address
Elen Joseph Katz	
Shachar Hania	
Yuval Isbi	
Noam Teich	

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Amendment No. 2 to Registration Statement on Form F-1 of our report dated January 10, 2022 (except for the Notes 2C, 14G, 14H and 14I, as to which the date is February 17, 2022) relating to the financial statements of Rail Vision Ltd. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ Brightman Almagor Zohar & Co.,
Certified Public Accountants
A firm in the Deloitte Global Network

Tel Aviv, Israel
March 24, 2022

Exhibit 99.2

CONSENT OF DIRECTOR NOMINEE

I hereby consent, pursuant to Rule 438 under the Securities Act of 1933, as amended, to being named as a nominee to the board of directors of Rail Vision Ltd. in its Registration Statement on Form F-1, and any amendments or supplements thereto, and to the filing or attachment of this consent with such Registration Statement and any amendment or supplement thereto.

/s/ Inball Kreis

Inball Kreis

March 24, 2022

Exhibit 99.3

CONSENT OF DIRECTOR NOMINEE

I hereby consent, pursuant to Rule 438 under the Securities Act of 1933, as amended, to being named as a nominee to the board of directors of Rail Vision Ltd. in its Registration Statement on Form F-1, and any amendments or supplements thereto, and to the filing or attachment of this consent with such Registration Statement and any amendment or supplement thereto.

/s/ Regina Ungar

Regina Ungar

March 24, 2022

Exhibit 99.4

CONSENT OF DIRECTOR NOMINEE

I hereby consent, pursuant to Rule 438 under the Securities Act of 1933, as amended, to being named as a nominee to the board of directors of Rail Vision Ltd. in its Registration Statement on Form F-1, and any amendments or supplements thereto, and to the filing or attachment of this consent with such Registration Statement and any amendment or supplement thereto.

/s/ Yossi Daskal

Yossi Daskal

March 24, 2022