

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document, or the action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) if you are in the United Kingdom, or, if outside the United Kingdom, from another appropriately authorised independent adviser.

This document constitutes an AIM admission document relating to Windward Ltd. (“Windward” or the “Company”) and has been drawn up in accordance with the AIM Rules for Companies. This document does not contain an offer of transferable securities to the public in the United Kingdom within the meaning of section 102B of FSMA and is not required to be issued as, nor is it, a prospectus for the purposes of the Prospectus Regulation Rules. Accordingly, this document has not been drawn up in accordance with the Prospectus Regulation Rules and has not been approved by, or filed with, the Financial Conduct Authority (“FCA”) pursuant to section 85 of FSMA or any other authority which would be a competent authority for the purposes of the UK Prospectus Regulation.

Application has been made for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that trading in the Enlarged Share Capital will commence on AIM at 8:00 a.m. on 6 December 2021. The Ordinary Shares are not dealt on any other recognised investment exchange and no application has been, or is intended to be, made for the Ordinary Shares to be admitted to trading on any other such exchange. It is emphasised that no application is being made for the Ordinary Shares to the Official List.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the FCA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required, pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

The Company and the Directors, whose names appear on page 12 of this document, accept responsibility, both individually and collectively, for the information contained in this document and for compliance with the AIM Rules for Companies. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and makes no omission likely to affect the import of such information.

Prospective investors should read the whole text of this document. Your attention is drawn in particular to the “Risk Factors” set out in Part II of this document. All statements regarding the business, financial position and prospects of the Company and its subsidiaries (the “Windward”) should be read in light of these risk factors.

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## Windward Ltd.

*(Incorporated and registered in Israel with registered number 514386903)*

**Placing of 16,956,255 new Ordinary Shares and 5,301,810 Sale Shares at 155 pence per**

**Ordinary Share and Admission of the Enlarged Share Capital to trading on AIM**

**Nominated Adviser, Sole Broker and Sole Bookrunner**

**cg/Canaccord  
Genuity**

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The Placing is conditional, *inter alia*, on Admission taking place by 8:00 a.m. on 6 December 2021 or such later date as the Company and Canaccord Genuity Limited (“Canaccord Genuity”) may agree being not later than 8:00 a.m. on 20 December 2021. The Placing Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends or other distributions declared, made or paid after Admission.

Canaccord Genuity, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company as nominated adviser, sole broker and sole bookrunner in connection with the Placing and Admission and will not be responsible to any other person for providing the protections afforded to customers of Canaccord Genuity or advising any other person in connection with the Placing and Admission. Canaccord Genuity’s responsibilities as the Company’s nominated adviser under the AIM Rules for Companies and the AIM Rules for Nominated Advisers will be owed solely to London Stock Exchange and not to the Company, the Directors or to any other person in respect of such person’s decision to subscribe for or acquire Placing Shares in reliance on any part of this document. Apart from the responsibilities and liabilities, if any, which may be imposed on Canaccord Genuity by FSMA or the regulatory regime established under it, Canaccord Genuity does not accept any responsibility whatsoever for the contents of this document, and no representation or warranty, express or implied, is made by Canaccord Genuity with respect to the accuracy or completeness of this document or any part of it.

Copies of the document will be available free of charge during normal business hours on any day (except Saturdays, Sundays and public holidays) at the registered office of the Company and the offices of Fladgate LLP at 16 Great Queen Street, London, WC2B 5DG, United Kingdom for one month from Admission. This document is also available on the Company’s website, [windward.ai](http://windward.ai).

## IMPORTANT INFORMATION

### General

This document does not constitute an offer to sell, or the solicitation of an offer to buy or subscribe for, securities in any jurisdiction in which such offer or solicitation is unlawful and, in particular, is not for publication or distribution in or into the United States, Canada, Australia, New Zealand, the Republic of South Africa or Japan nor in any country or territory where to do so may contravene local securities laws or regulations. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restriction. The Ordinary Shares have not been and will not be registered under the US Securities Act 1933 (as amended) nor under the applicable securities laws of any State of the United States or any province or territory of Canada, Australia, New Zealand, the Republic of South Africa or Japan. Accordingly, the Ordinary Shares may not be offered or sold directly or indirectly in or into the United States, Canada, Australia, New Zealand, the Republic of South Africa, Japan or to any resident of the United States, Canada, Australia, New Zealand, the Republic of South Africa or Japan. No public offering of securities is being made in the United States. The Ordinary Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the accuracy or adequacy of this document.

Holding Ordinary Shares may have implications for overseas shareholders under the laws of the relevant overseas jurisdictions. Overseas investors should inform themselves about and observe any applicable legal requirements. It is the responsibility of each overseas shareholder to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

This document should be read in its entirety before making any decision to subscribe for or purchase Placing Shares. Prospective investors should rely only on the information in this document. No person has been authorised to give any information or to make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors, the Selling Shareholders or Canaccord Genuity. No representation or warranty, express or implied, is made by the Company, the Directors, the Selling Shareholders or Canaccord Genuity as to the accuracy or completeness of such information, and nothing contained in this document is, or shall be relied upon as, a promise or representation by the Directors, the Selling Shareholders or Canaccord Genuity as to the past, present or future performance of the Company. Neither the delivery of this document nor any sale made under this document shall, under any circumstances, create any implication that there has been no change in the business or affairs of Windward since the date hereof or that the information contained herein is correct as of any time subsequent to the earlier of the date hereof and any earlier specified date with respect to such information.

As required by the AIM Rules for Companies, the Company will update the information provided in this document by means of a supplement to it if a significant new factor that may affect the evaluation by prospective investors of the Placing occurs prior to Admission or if it is noted that this document contains any mistake or substantial inaccuracy. This document and any supplement thereto will be made public in accordance with the AIM Rules for Companies.

The contents of this document are not to be construed as legal, financial, business or tax advice. Each prospective investor should consult their own lawyer, financial adviser or tax adviser for legal, financial, business or tax advice in relation to any purchase or proposed purchase of Ordinary Shares. Each prospective investor should consult with such advisers as needed to make their investment decision and to determine whether it is legally permitted to hold shares under applicable legal investment or similar laws or regulations. Prospective investors should be aware that they may be required to bear the financial risks of an investment in Ordinary Shares for an indefinite period of time.

This document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, the Selling Shareholders or Canaccord Genuity or any of their respective affiliates, officers, directors, partners,

employees or agents that any recipient of this document should subscribe for or purchase any Placing Shares.

The Company is incorporated in Israel. The rights of holders of Ordinary Shares are governed by the Israeli law and by the New Articles. These rights differ from the rights of shareholders in typical UK companies.

**Prior to making any decision as to whether to subscribe for or purchase any Ordinary Shares, prospective investors should read the entirety of this document and, in particular, the section headed “Risk Factors” in Part II.**

Prospective investors should ensure that they read the whole of this document and not just rely on key information or information summarised within it. In making an investment decision, prospective investors must rely upon their own examination (or the examination of the prospective investor’s lawyers, financial advisers or tax advisers) of the Company and the terms of this document, including the risks involved. Any decision to purchase Ordinary Shares should be based solely on this document and the prospective investor’s (or such prospective investor’s lawyers, financial advisers or tax advisers) own examination of the Company.

Investors who subscribe for or purchase Ordinary Shares in the Placing will be deemed to have acknowledged that: (i) they have not relied on Canaccord Genuity or any person affiliated with it in connection with any investigation of the accuracy of any information contained in this document for their investment decision; (ii) they have relied only on the information contained in this document, and (iii) no person has been authorised to give any information or to make any representation concerning the Company or the Ordinary Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by or on behalf of the Company, the Directors, Canaccord Genuity or any of their respective affiliates, officers, directors, partners, employees or agents.

None of the Company, the Directors, the Selling Shareholders, Canaccord Genuity or any of their respective affiliates, officers, directors, partners, employees or agents is making any representation to any subscriber or purchaser of Ordinary Shares regarding the legality of an investment by such subscriber or purchaser.

In connection with the Placing, Canaccord Genuity and any of its affiliates, acting as an investor for its or their own account(s), may acquire Ordinary Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the Company or other related investments in connection with the Placing or otherwise. Accordingly, references in this document to the Ordinary Shares being offered, acquired or otherwise dealt with, should be read as including any offer to, acquisition of or dealing by Canaccord Genuity and any of its affiliates acting as an investor for its or their own account(s). Neither Canaccord Genuity nor any of its affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition, Canaccord Genuity may enter into financing arrangements with investors, such as share swap arrangements or lending arrangements in connection with which Canaccord Genuity may from time to time acquire, hold or dispose of shareholdings in the Company.

Canaccord Genuity and its affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for, the Company for which it would have received customary fees. Canaccord Genuity and any of its affiliates may provide such services to the Company and any of its affiliates in the future.

### **Forward-looking statements**

All statements, other than statements of historical facts, included in this document, including, without limitation, those regarding Windward’s financial position, business strategy, plans and objectives of management for future operations or statements relating to expectations in relation to dividends or any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “plans”, “will”, “may”, “anticipates”, “would”, “could” or similar expressions or the negative thereof, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance, achievements of or dividends paid by the Company to be materially different from actual results, performance or achievements, or dividend payments expressed or implied by such forward looking statements.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The actual results, performance or achievements of the Company or developments in the industry in which Windward operates may differ materially from the future results, performance or achievements or industry developments expressed or implied by the forward-looking statements contained in this document.

Prospective investors are strongly recommended to read the “Risk Factors” set out in Part II of this document for a more complete discussion of the factors that could affect the Company’s future performance and the industry in which Windward operates. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur.

These forward-looking statements speak only as of the date of this document. Each of the Company, the Directors, the Selling Shareholders and Canaccord Genuity expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto, any new information or any change in events, conditions or circumstances on which any such statements are based, unless required to do so by law or any appropriate regulatory authority.

### **Notice to prospective investors in the United Kingdom**

This document is being distributed in the United Kingdom where it is directed only at persons who are “qualified investors” as defined under Article 2 of the UK Prospectus Regulation and who are (i) persons having professional experience in matters relating to investments, i.e., investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “FPO”); and/or (ii) high net-worth companies, unincorporated associations and other bodies within the meaning of Article 49(2)(a) to (d) of the FPO and at persons to whom it is otherwise lawful to distribute it without any obligation to issue a prospectus approved by competent regulators. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of person and in any event, and under no circumstances, should persons of any other description rely on or act upon the contents of this document.

No Ordinary Shares have been offered or will be offered pursuant to the Placing to the public in the United Kingdom prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the FCA in accordance with the UK Prospectus Regulation, except that offers of Ordinary Shares may be made to the public in the United Kingdom at any time:

- (1) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- (2) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation); or
- (3) in any other circumstances falling within Section 86 of FSMA,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation and each person who initially acquires any Ordinary Shares or to whom any offer is made under the Placing will be deemed to have represented, acknowledged and agreed that it is a qualified investor within the meaning of the UK Prospectus Regulation.

For the purpose of these provisions, the expression an “offer to the public” in relation to any Ordinary Shares in any relevant state means the communication in any form and by any means of sufficient information on the terms of the Placing and any Ordinary Shares to be offered so as to enable an investor to decide to purchase any Ordinary Shares.

In the case of any Ordinary Shares being offered to a financial intermediary as that term is used in Article 5(1) of the UK Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Ordinary Shares acquired by it in the Placing have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any

Ordinary Shares to the public other than their resale in the United Kingdom to qualified investors as so defined or in circumstances in which the prior consent of the Company has been obtained to each such proposed offer or resale. Each of the Company, Canaccord Genuity and their respective affiliates, and others, will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

#### **Notice to prospective investors in the EEA**

In relation to each member state of the EEA (each a “**Member State**”), no Ordinary Shares have been offered or will be offered pursuant to the Placing to the public in that Member State prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that Member State, or otherwise in accordance with the Prospectus Regulation, except that offers of Ordinary Shares to the public may be made at any time under the following exemptions under the Prospectus Regulation:

- (1) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;
- (2) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation) in such Member State; or
- (3) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Ordinary Shares shall require the Company or any other person to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any Ordinary Shares or to whom any offer is made under the Placing will be deemed to have represented, acknowledged and agreed that it is a qualified investor within the meaning of the Prospectus Regulation.

None of the Company or Canaccord Genuity have authorised, nor does any of them authorise, the making of any offer of Ordinary Shares in circumstances in which an obligation arises for the Company to publish a prospectus or a supplemental prospectus in respect of such offer.

For the purposes of this provision, the expression “an offer to the public” in relation to any offer of Ordinary Shares in any Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares.

#### **Notice to prospective investors in Israel**

This document should not be copied or distributed by any means including electronic transmission, to persons or corporates in Israel, and the Placing is not being made in or into Israel and will not be capable of acceptance in Israel, except to certain persons referred to in Section 15A(b)(1) of the Israeli Securities Law, 5728-1968 (“**Israeli Securities Law**”) and listed in the first addendum thereto (which includes certain mutual, provident and venture capital funds, banks, insurers, portfolio managers, investment advisers, stock exchange members, underwriters, certain corporations fully owned by any of the above and certain individuals with certain net value assets or certain income and corporations whose equity capital exceeds a certain amount, all as defined in first addendum to the Israeli Securities Law). The securities have not been, and will not be, offered to a public in Israel within the meaning of the Israeli Securities Law and no prospectus will be filed in Israel in connection with the offering. The Company is not sending, and brokers, dealers, commercial banks, trust companies and other nominees have been instructed not to forward, this document to Israel, except to such persons referred to above, and subject to the limitations set out in the Israel Securities Law. Should a person or the agent of a person receive this document in Israel and not be a person referred to above, this document does not constitute an offer to him/her to sell, or a solicitation from him/her of an offer to purchase, any Ordinary Shares.

#### **Notice to distributors**

##### ***UK Product Governance Requirements***

Solely for the purposes of the product governance requirements contained within Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract

or otherwise, which any “manufacturer” (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that the Ordinary Shares are (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in paragraph 3 of the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all distribution channels (the “**Target Market Assessment**”).

Notwithstanding the Target Market Assessment, “distributors” should note that: the price of the New Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Canaccord Genuity will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapter 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the New Ordinary Shares and determining appropriate distribution channels.

### ***EU Product Governance Requirements***

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“MiFID II”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that such Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**EU Target Market Assessment**”). Notwithstanding the EU Target Market Assessment, distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The EU Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the EU Target Market Assessment, Canaccord Genuity will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the EU Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

## **Presentation of financial and other information**

The financial information contained in this document, including that financial information presented in a number of tables in this document, has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

The historical financial information of Windward for the years ended 31 December 2018, 31 December 2019 and 31 December 2020, and for the six months ended 30 June 2021 and 30 June 2020, as set out in Part III of this document, have been prepared in accordance with IFRS.

Certain non-financial measures such as EBITDA (being earnings before interest, tax, depreciation and amortisation) have been included in the financial information contained in this document as the Directors believe that these present important alternative measures with which to assess Windward's performance. These measures should not be considered as an alternative to revenue and operating profit, which are IFRS measures, or other measures of performance under IFRS. In addition, the Company's calculation of EBITDA may be different from the calculation used by other companies and therefore comparability may be limited.

The Company publishes its financial statements in US dollars. Throughout this document, unless otherwise indicated, the following exchange rates have been used:

GBP1.00: US\$1.3317 (as at close of business on 26 November 2021).

NIS1.00: US\$0.3138 (as at close of business on 26 November 2021).

## **Currency presentation**

In the document, references to "Sterling", "£", "pence" and "p" are to the lawful currency of the United Kingdom, references to "EUR" and "euros" are to the lawful currency of certain of the countries within the EU and references to "US\$", "\$" and "dollars" are references to the lawful currency of the United States. Unless otherwise indicated, the financial information contained in this document has been expressed in dollars. The Group presents its financial statements in dollars.

## **Bases and sources**

Various market data and forecasts used in this document have been obtained from independent industry sources. The Company has not verified the data, statistics, or information obtained from these sources and cannot give any guarantee of the accuracy or completeness of the data. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications, risks and uncertainties as above. Various figures and percentages in tables in this document have been rounded and accordingly may not total. Certain financial data has also been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data.

All times referred to in this document are, unless otherwise stated, references to London time.

## **No incorporation of website**

The contents of the Company's website (or any other website) do not form part of this document and investors shall not rely upon them.

## **Interpretation**

Certain terms used in this document, including capitalised terms and certain technical and other items, are defined in the section entitled "Definitions" and certain selected industry and technical terms used in this document are defined and explained in the section entitled "Glossary". References to the singular in this document include the plural and vice versa where the context requires.

**Governing law**

Unless otherwise stated, statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes in such law and practice.

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## PLACING AND ADMISSION STATISTICS

### Placing

Placing Price (per Placing Share)	155 pence
Total number of Placing Shares	22,258,065
Number of New Shares to be issued pursuant to the Placing	16,956,255
Number of Sale Shares to be sold pursuant to the Placing	5,301,810
Number of Option Sale Shares (being Sale Shares which have been issued and form part of the Existing Ordinary Shares and which shall be sold by the Option Selling Shareholders in the Placing (the Option Sale Shares form part of the Sale Shares))	2,456,664
Estimated gross proceeds of the Placing (receivable by the Company)	£26.3 million
Estimated gross proceeds of the Placing (receivable by the Selling Shareholders)	£8.2 million
Estimated net proceeds of the Placing (receivable by the Company) <sup>1</sup>	£22.5 million

### Admission

Number of Existing Ordinary Shares in issue immediately prior to Admission	62,646,066
Number of Ordinary Shares in issue immediately following Admission, including the Conversion Shares	81,637,638
Percentage of Enlarged Share Capital represented by the Placing Shares, immediately following Admission	27.3 per cent.
Percentage of Enlarged Share Capital held by Directors, immediately following Admission	7.9 per cent.
Estimated market capitalisation of the Company based on the Placing Price, immediately following Admission <sup>2</sup>	£126.5 million
Options outstanding as a percentage of Enlarged Share Capital on Admission	11.9 per cent.
TIDM	WNWD
ISIN	IL0011809428
Legal Entity Identifier	213800IZ6785SUZLHS86
SEDOL	BNTVZP4

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- 1 Net proceeds receivable by the Company are stated after deducting the total expenses of the Placing and Admission payable by the Company of approximately £3.8 million in aggregate.
- 2 The market capitalisation of the Company at any given time will depend on the market price of the Ordinary Shares at that time. There can be no assurance that the market price of an Ordinary Share will equal or exceed the Placing Price.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	30 November 2021
Admission becoming effective and commencement of dealings in the Ordinary Shares to commence on AIM	8:00 a.m. on 6 December 2021
CREST accounts credited, where applicable, in respect of the Depositary Interests issued in relation to Placing Shares	8:00 a.m. on 6 December 2021
Dispatch of definitive share certificates, where applicable	By 20 December 2021

References to times and dates in the timetable above are to London, time unless otherwise stated. Each of the times and dates in the above timetable is subject to change at the absolute discretion of the Company and Canaccord Genuity. If any of the above times or dates should change, the revised times and/or dates will be notified by a Regulatory Information Service announcement. Temporary documents of title will not be issued.

## COMPANY OFFICERS, REGISTERED OFFICE AND ADVISERS

<b>Directors</b>	The Right, Honourable, The Lord Browne of Madingley, Non-Executive Chairman Ami Daniel, Chief Executive Officer Ofer Segev, Chief Financial Officer* Tom Hutton, Non-Executive Director Guy Mason, Non-Executive Director* Shereen El Zarkani, Non-Executive Director* Stuart Kilpatrick, Non-Executive Director* * Appointment to the Board with effect from Admission
<b>Company secretary</b>	Keren Edlund
<b>Registered office and head office of the Company</b>	2 Hashlosa Street Tel Aviv, 6706054 Israel
<b>Website</b>	<a href="http://windward.ai">windward.ai</a>
<b>Nominated Adviser, Sole Broker and Sole Bookrunner</b>	Canaccord Genuity Limited 88 Wood Street London EC2V 7QR United Kingdom
<b>English legal advisors to the Company</b>	Fladgate LLP 16 Great Queen Street London, WC2B 5DG United Kingdom
<b>Israeli legal advisors to the Company</b>	Yigal Arnon & Co 1 Azrieli Center Tel Aviv, 6702101 Israel
<b>Legal advisers to the Nominated Adviser, Sole Broker and Sole Bookrunner</b>	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London, EC4N 6AF United Kingdom
<b>Auditor to the Company</b>	Kesselman & Kesselman Certified Public Accountants (Isr.) A member firm of PricewaterhouseCoopers International Limited Trade Tower Building 25, MATAM P.O Box 15084 Haifa 3190500 Israel
<b>Reporting accountant to the Company</b>	Kesselman & Kesselman Certified Public Accountants (Isr.) A member firm of PricewaterhouseCoopers International Limited Trade Tower Building 25, MATAM P.O Box 15084 Haifa 3190500 Israel
<b>Public Relations adviser to the Company</b>	Alma PR 71-73 Carter Lane London EC4V 5EQ United Kingdom

**Depositary**

Computershare Investor Services PLC  
The Pavilions  
Bridgwater Road  
Bristol BS13 8AE  
United Kingdom

**Registrars**

Computershare Investor Services (Jersey) Limited  
13 Castle Street  
St Helier  
JE1 1ES  
Jersey, Channel Islands

## DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

<b>“Admission”</b>	the admission of the Enlarged Share Capital to trading on AIM, becoming effective in accordance with Rule 6 of the AIM Rules for Companies;
<b>“AIM”</b>	the AIM market of the London Stock Exchange;
<b>“AIM Rules for Companies”</b>	the AIM Rules for companies published by the London Stock Exchange from time to time (including, without limitation, any guidance notes or statements of practice) and those other rules of the London Stock Exchange which govern the admission of securities to trading on, and the regulation of AIM;
<b>“AIM Rules for Nominated Advisers”</b>	the AIM Rules for nominated advisers setting out the eligibility requirements, ongoing obligations and certain disciplinary matters in relation to nominated advisers, as published by the London Stock Exchange from time to time;
<b>“Aleph”</b>	Aleph Equity Partners LP is the general partner of Aleph, L.P. and Aleph-Aleph, L.P., both investors in the Company;
<b>“Board”</b>	the board of Directors;
<b>“Canaccord Genuity”</b>	Canaccord Genuity Limited, as nominated adviser, sole broker and sole bookrunner to the Company;
<b>“Companies Act”</b>	the Companies Act 2006 (as amended);
<b>“Companies Law”</b>	the Israeli Companies Law 1999;
<b>“Conversion Shares”</b>	the Ordinary Shares resulting from the conversion of the Current CFA on Admission;
<b>“CREST”</b>	the computerised settlement system to facilitate the transfer of title of shares in uncertificated form, operated by Euroclear UK & International Limited;
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended);
<b>“Crimea Region”</b>	a peninsula along the northern coast of the Black Sea in Eastern Europe, the status of which is disputed as it is claimed by Ukraine and recognized as Ukrainian by the United Nations and most other countries, but it is governed by Russia;
<b>“Current CFA”</b>	has the meaning given to it in paragraph 16.6 of Part IV of this document;
<b>“Deed Poll”</b>	the deed poll executed by the Depositary in favour of the holders of the Depositary Interests from time to time, further details of which are set out in paragraph 16.7 of Part IV of this document;
<b>“Depositary”</b>	Computershare Investor Services PLC, whose registered office is at The Pavilions, Bridgwater Road, Bristol BS13 8AE, United Kingdom;
<b>“Depositary Interest” or “DI”</b>	dematerialised interests representing underlying Ordinary Shares in the ratio of 1:1 that can be settled electronically through and held in CREST, as issued by the Depositary who holds the underlying securities on trust, further details of which are set out in paragraph 22 of Part I of this document;

<b>“Directors”</b>	the directors of the Company as at the date of this document, and the proposed directors of the Company (being Ofer Segev, Guy Mason, Shereen El Zarkani and Stuart Kilpatrick, who have been appointed conditional on Admission), whose names appear on page 12 of this document;
<b>“DTR” or “Disclosure Guidance and Transparency Rules”</b>	the Disclosure Guidance and Transparency Rules (in accordance with section 73A(3) of FSMA) being the rules published by the FCA from time to time relating to the disclosure of information in respect of financial instruments which have been admitted to trading on a regulated market or for which a request for admission to trading on such a market has been made;
<b>“EBITDA”</b>	earnings before interest, tax, depreciation and amortisation;
<b>“EEA”</b>	the European Economic Area;
<b>“Enlarged Share Capital”</b>	the entire issued share capital of the Company immediately following Admission, comprising the Existing Ordinary Shares, the Conversion Shares, and the New Shares;
<b>“Euroclear”</b>	Euroclear UK and International Limited, a company incorporated in England and Wales with registered number 02878738, being the operator of CREST;
<b>“EUWA”</b>	European Union (Withdrawal) Act 2018, as amended;
<b>“Existing Articles”</b>	the articles of association of the Company in effect as at the date of this document;
<b>“Existing Ordinary Shares”</b>	the 60,025,005 Ordinary Shares in issue on completion of the Share Capital Reorganisation but immediately prior to Admission plus the 2,456,664 Option Sale Shares, 64,452 Ordinary Shares arising from the exercise of options and not part of the Option Sale Shares and the 99,945 Ordinary Shares resulting from the exercise of the Tmura Warrant, being a total of 62,646,066 Ordinary Shares in issue immediately prior to Admission;
<b>“External Director”</b>	has the meaning given to it in paragraph 9.1 of Part IV of this document;
<b>“FCA”</b>	the Financial Conduct Authority of the United Kingdom;
<b>“Founders”</b>	Ami Daniel and Matan Peled;
<b>“FSMA”</b>	the Financial Services and Markets Act 2000, as amended;
<b>“GDPR”</b>	the EU General Data Protection Regulation (EU) 2016/679;
<b>“Group”</b>	the Company and its Subsidiaries from time to time;
<b>“Historical Financial Information”</b>	the audited consolidated financial information of the Company for the three years ended 31 December 2020, and the unaudited financial information for the six month period ended 30 June 2021 and 30 June 2020, as set out in Section A of Part III of this document;
<b>“HMRC”</b>	Her Majesty’s Revenue and Customs;
<b>“IFRS”</b>	International Financial Reporting Standards;
<b>“Innovation Law”</b>	the Law for Encouragement of Research and Development in Industry – 1984;
<b>“IIA”</b>	Israel Innovation Authority;
<b>“ISIN”</b>	International Securities Identification Number;
<b>“La Maison”</b>	La Maison ITF S.a r.l.;

<b>“Lock-in Agreements”</b>	the lock-in agreements entered into on or about the date of this document between the Company, Canaccord Genuity and certain shareholders, details of which are set out in paragraph 16.2 of Part IV of this document;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“MAR”</b>	the UK version of the Market Abuse Regulation (Regulation 596/2014) which is part of UK law by virtue of EUWA, as amended;
<b>“Member State”</b>	a member state of the EEA;
<b>“New Articles”</b>	the new articles of association of the Company, which the Company’s Shareholders resolved to adopt effective immediately prior to Admission;
<b>“New Shares”</b>	the 16,956,255 new Ordinary Shares to be issued pursuant to the Placing;
<b>“NIS”</b>	Israeli New Shekels;
<b>“Non-Executive Directors”</b>	the non-executive directors of the Company, being The Lord Browne of Madingley and Tom Hutton as at the date of the document, and Guy Mason, Shereen El Zarkani and Stuart Kilpatrick conditional on Admission;
<b>“Official List”</b>	the Official List of the FCA in its capacity as the competent authority for the purposes of Part VI of FSMA;
<b>“Option Holder”</b>	a holder of Options;
<b>“Options”</b>	the options over Ordinary Shares, as set out in paragraphs 4.14 and 12 of Part IV of this document;
<b>“Option Sale Shares”</b>	the 2,456,664 Ordinary Shares which shall be issued pursuant to the exercise of Options and sold by the Option Selling Shareholders pursuant to the Placing;
<b>“Option Selling Shareholders”</b>	those persons who have exercised Options in order to sell the resulting Option Sale Shares in the Placing;
<b>“Original Ordinary Shares”</b>	the original shares of NIS 0.01 each in the capital of the Company that were in issue prior to the share split described in paragraph 4.5 of Part IV of this document;
<b>“Original Shares”</b>	all of the share classes prior to the Share Capital Reorganisation, including the Original Ordinary Shares, preferred A shares, preferred B shares, preferred B1 shares, preferred B2 shares, preferred C shares and preferred C1 shares, each in the capital of the Company;
<b>“Ordinary Shares”</b>	the ordinary shares of NIS 0.002 each in the capital of the Company, and includes, where the context requires, Depositary Interests in respect of such shares;
<b>“Placing”</b>	the conditional placing of the Placing Shares by Canaccord Genuity on behalf of the Company and the Selling Shareholders with institutional and other investors at the Placing Price pursuant to the Placing Agreement;
<b>“Placing Agreement”</b>	the conditional agreement entered into on or about the date of this document between the Company, Canaccord Genuity, the Directors and the Selling Shareholders, in relation to the Placing and Admission, details of which are set out in paragraph 16.1 of Part IV of this document;
<b>“Placing Price”</b>	155 pence per Placing Share;
<b>“Placing Shares”</b>	the New Shares and the Sale Shares;

<b>“Prospectus Regulation”</b>	the Regulation of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (no. EU2017/1129);
<b>“Prospectus Regulation Rules”</b>	the prospectus regulation rules made by the FCA under Part VI of the FSMA, as amended;
<b>“QCA”</b>	the Quoted Companies Alliance;
<b>“QCA Code”</b>	the QCA Corporate Governance Code published by the QCA, as amended from time to time;
<b>“Quick Ratio”</b>	the ratio of Liquidity to Current Liabilities. “Liquidity” means the aggregate amount of: (a) the unrestricted and unsecured cash held by the Company and the Company’s US and UK subsidiaries at any time; and (b) the pending accounts receivable of the Company and the Company’s US subsidiary at any time. “Current Liabilities” means (a) short-term financial liabilities that are repayable within a year at any time, less (b) the pending deferred revenues of the Company and the Company’s US and UK subsidiaries at any time. For the avoidance of doubt, current maturities (up to 12-month) of long-term loans will be deemed to be Current Liabilities for the purpose of this definition;
<b>“Sale Shares”</b>	the 5,301,810 Existing Ordinary Shares to be sold by the Selling Shareholders and the Option Sale Shares pursuant to the Placing;
<b>“Securities Law”</b>	Israeli Securities Law, 5728-1968;
<b>“Selling Shareholders”</b>	the Shareholders who have agreed to sell Existing Ordinary Shares pursuant to the Placing, as set out in paragraph 11 of Part IV of this document;
<b>“Share Capital Reorganisation”</b>	has the meaning given to it in paragraph 4.10 of Part IV of this document;
<b>“Share Option Scheme”</b>	the share option plan to grant options to employees and executive directors of Windward, and to grant options to non-executive directors and consultants of Windward, as described in paragraph 12 of Part IV of this document;
<b>“Share Split”</b>	has the meaning given to it in paragraph 4.5 of Part IV of this document;
<b>“Shareholder(s)”</b>	person(s) who is/are registered as holder(s) of Ordinary Shares from time to time;
<b>“Subsidiary” or “Subsidiaries”</b>	shall have the meaning ascribed to it in the Companies Act;
<b>“Takeover Code”</b>	the UK City Code on Takeovers and Mergers published by the Takeover Panel, as amended from time to time;
<b>“Takeover Panel”</b>	the UK Panel on Takeovers and Mergers;
<b>“Tmura Warrant”</b>	the warrant issued to Tmura dated 8 January 2014, as adjusted in accordance with its terms, for 99,945 Ordinary Shares with an exercise price of NIS 0.0006667;
<b>“UK” or “United Kingdom”</b>	United Kingdom of Great Britain and Northern Ireland;
<b>“UK GDPR”</b>	the EU General Data Protection Regulation (EU) 2016/679 as it forms part of UK law by virtue of the EUWA;
<b>“UK Prospectus Regulation”</b>	the UK version of Regulation (EU) 2017/1129, which is part of UK law by virtue of the EUWA;

<b>“uncertificated” or “in uncertificated form”</b>	Ordinary Shares recorded on the register of members of the Company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of an instruction issued in accordance with the rules of CREST;
<b>“USA” or “United States”</b>	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction;
<b>“US\$”, “\$” or “US Dollar”</b>	United States Dollar;
<b>“Windward” or the “Company”</b>	Windward Ltd. (incorporated in Israel with company number 51-438690-3);
<b>“XL Innovate”</b>	XL Innovate Fund, LP;
<b>“£” and “p”</b>	United Kingdom pounds Sterling and pence, respectively.

## GLOSSARY

The following definitions apply throughout this document unless the context requires otherwise:

<b>“ACV”</b>	annual contract value;
<b>“AI”</b>	artificial intelligence;
<b>“AIS”</b>	automatic identification system;
<b>“API”</b>	automatic programming interface;
<b>“BI”</b>	business intelligence;
<b>“C-suite”</b>	executive-level managers within a company;
<b>“CAGR”</b>	compound annual growth rate;
<b>“CII”</b>	carbon intensity indicator;
<b>“DL”</b>	deep learning;
<b>“D4D”</b>	data for decarbonization;
<b>“EEOI”</b>	energy efficiency operational indicator;
<b>“EEDI”</b>	Energy Efficiency Design Index;
<b>“EEXI”</b>	Energy Efficiency Existing Ship Index;
<b>“ESG”</b>	environmental, social, and governance;
<b>“ETA”</b>	estimated time of arrival;
<b>“ETD”</b>	Energy Taxation Directive;
<b>“ETS”</b>	the EU’s Emissions Trading System;
<b>“False Positive”</b>	a test result which wrongly indicates that a particular condition or attribute is present;
<b>“GCC”</b>	the Gulf Cooperation Council;
<b>“GHG”</b>	greenhouse gas;
<b>“IMO”</b>	International Maritime Organization;
<b>“ISM”</b>	international safety manager;
<b>“KYV”</b>	know your vessel;
<b>“ML”</b>	machine learning;
<b>“OFAC”</b>	the U.S.’s Office of Foreign Assets Control;
<b>“OFSI”</b>	the UK’s Office of Financial Sanctions;
<b>“PCT”</b>	Patent Cooperation Treaty;
<b>“Poseidon Principles”</b>	a framework for assessing and disclosing the climate alignment of ship finance portfolios. They set a benchmark for what it means to be a responsible bank in the maritime sector and provide actionable guidance on how to achieve this;
<b>“P&amp;I”</b>	protection and indemnity;
<b>“R&amp;D”</b>	research and development;
<b>“RF”</b>	radio frequency;
<b>“RFP”</b>	request for proposal;
<b>“RMS”</b>	risk management solutions;
<b>“R&amp;D”</b>	research and development;
<b>“SaaS”</b>	software as a service;

<b>“SAR”</b>	synthetic aperture radar;
<b>“SDN”</b>	specially designated nationals and blocked persons;
<b>“SMB”</b>	small medium businesses;
<b>“SOLAS”</b>	safety of life at sea; and
<b>“UX”</b>	user experience.

## Part I

### INFORMATION ON THE COMPANY

#### 1. INTRODUCTION

Windward is a leading predictive intelligence company, fusing artificial intelligence (“AI”) and maritime expertise seeking to digitalise the global maritime industry. Windward’s AI-powered software solution aims to provide real time information and insights on major seafaring vessels at sea, enabling stakeholders within the maritime eco-system to make intelligence-driven decisions to manage risk and achieve business and operational insights.

Windward’s customers include a number of leading participants across the maritime industry covering banks, commodity traders, insurers, government agencies, and major energy and shipping companies. Windward has over 70 globally spread customers including BP, Shell, HSBC, Gard and Danske Bank and leading government agencies including agencies from the US department of Defence and Homeland Security, Frontex (the pan-European border and coast guard agency) and the United Nations.

The Company is headquartered in Israel with a presence in five additional locations around the world, being the UK, USA (West coast and East coast including Washington D.C.), Denmark, and the UAE. As at 30 September 2021, the Company had 120 permanent employees and had an annual contract value (“ACV”) of US\$19.7 million, with 99 per cent. of the revenue being subscription based. For the years 2017 to 2020, Windward achieved a revenue CAGR of 36 per cent.

Windward was founded in Israel in 2010 by Ami Daniel and Matan Peled to solve the problem of data visibility in the maritime sector that they had identified. Although maritime risks pose a major threat to many participants in the finance, energy, trade and security maritime eco-systems, and the mandating of the Automatic Identification System (“AIS”) for vessels in 1980 had created a vast wealth of shipping data which could be used to help assess that risk, Ami Daniel and Matan Peled (the “Founders”) believed that there was no integrated solution that fused the multiple data sources available to the maritime eco-system participants and provided analytical insights of that data. Windward developed AI and big data analytical tools to seek to provide explainable insights for every AIS transmitting vessel at sea, developing its “Know Your Vessel” concept (“KYV”) an evolution of the well-known Know Your Customer best practice (“KYC”) for the maritime sector. Windward’s technology initially served government and security clients for illegal fishing, homeland security and intelligence applications and as it evolved, the potential applications of maritime data visibility expanded to other commercial applications including compliance. Today, the Directors believe Windward’s insights and decision support system provide significant value across the maritime and trade eco-system, from financial markets to global supply chains, international trading patterns, and more.

The Directors believe that Windward’s technological platform is applicable in at least one respect for all market participants in the maritime and commodity trading sector and that allows the Company to target what the Directors believe to be an estimated total addressable market of over \$10 billion and more than 250,000 organisations.

The Company continues to enhance and expand its core offering, in order to broaden the number of use cases and thus expanding its potential total addressable market and potential customers. As part of that effort, the Company is planning to launch in 2022 solutions for carbon emissions management and ocean freight visibility. The carbon emissions management solution is expected to address two growing areas of need for existing and new customers: (i) reduction in greenhouse gas emissions; and (ii) future mandatory requirement for tracking and reporting of maritime carbon footprint. The ocean freight visibility solution is expected to be positioned to address the growing need to track freight and predict container arrival time in order to improve operational efficiencies in the supply chain. In addition, Windward has recently launched a “self-service” version of its platform, targeting potential customers who are interested in using the Company’s AI Platform on a transactional basis rather than on a contracted SaaS model. This is to target what the Director’s believe to be a long tail of smaller enterprise businesses.

The Company is seeking Admission to raise £26.3 million (\$35.0 million) (before expenses) through the issue of the New Shares at the Placing Price. The net proceeds of the Placing receivable by the Company will be used to invest in growth initiatives and for general corporate purposes. In

addition, the Placing will raise approximately £8.2 million (\$10.9 million) for the Selling Shareholders (before expenses) through the sale of the Sale Shares. Further details of the Placing and Windward’s intended use of proceeds, and the Selling Shareholders’ remaining interests in the Company, are set out in paragraphs 18 and 19 of this Part I.

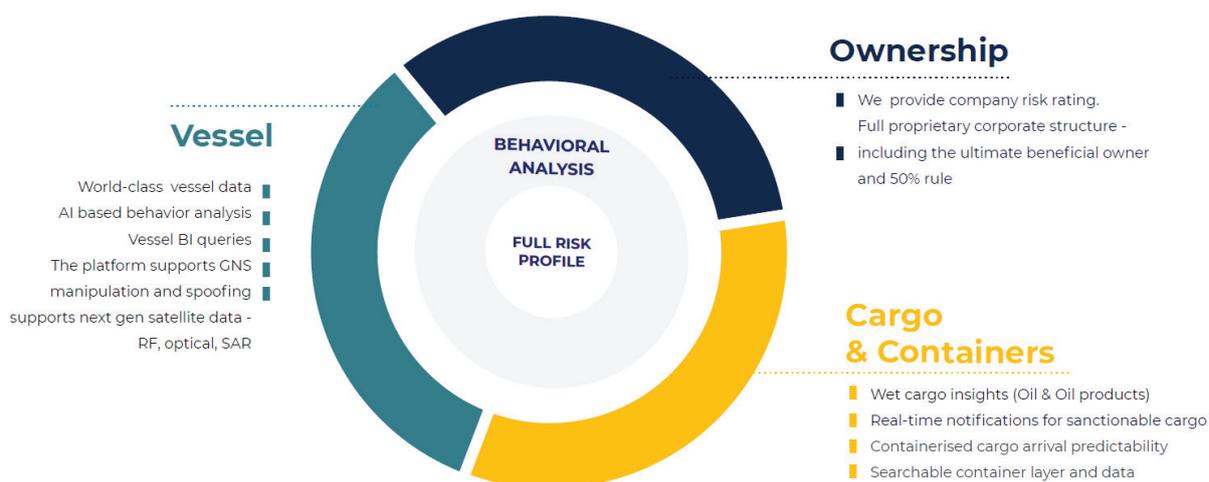
## 2. THE WINDWARD DIFFERENCE

Windward’s solutions provide fast decision support which is based on the Company’s Predictive Intelligence Platform. The solutions cover potential areas of maritime risk such as security, safety, compliance and operational risk within one platform.

The Windward platform collects data of various types (e.g. identity, location, ownership and management and cargo) from multiple specialised data providers and transforms them in a seamless process to entities, journeys, patterns, and recommendations. Prior to the launch of Windward’s platform, the Founders believed that in order to reach a conclusion regarding a certain vessel or a certain voyage, a number of people would have to manually screen multiple sources of data, which had the potential to produce less accurate results over a longer time period. The Directors believe that the accuracy and sophistication of Windward’s decision support platform produces considerably fewer False Positives, increasing the number of ships available to do business with, saving customers time, effort and cost while increasing business opportunity.

The Directors believe that Windward’s AI platform provides a multi-faceted maritime risk management insights that covers:

*Windward’s AI platform provides multi-faceted maritime risk management insights*



Source: Company

The breadth of the platform provides multiple use cases, or solutions, for each customer type, with customers’ use typically expanding over time. For example, historically US Federal agencies have used the platform to screen for security issues but are now expanding into sanction compliance risk issues. Energy companies primary use of the platform is typically for compliance purposes but they are now looking at the safety and environmental risks for the vessels they are using.

The Company continues to identify additional use cases, while adding greater depth and variety of data analysis, for example adding functionality that enables screening of any counterparty (also beyond the traditional shipping sphere), developing additional business intelligence capabilities, strengthening its competitive positioning, and providing for additional upsell and cross-sell opportunities.

### **3. KEY STRENGTHS**

The Directors believe that Windward benefits from the following key strengths:

#### **3.1 Maritime expertise**

The maritime eco-system is complex, global in nature and includes many different stakeholders. The movement of cargo via vessels is based on very specialised terminology, rules and regulations and long-standing market practices. Therefore, without experience and deep domain knowledge the Directors believe it is very hard to provide value, judgement or actionable recommendations. That is why Windward's platform was built from the start by the Founders who had significant marine experience and introduced significant expertise across the shipping, trading, energy and logistics industries. Both Founders are ex-Israeli navy officers, and many of the senior leadership team, as well as analysts and consultants, have hands-on shipping or naval expertise, including the Chief Data Scientist. The experience of this specialised team in the shipping and commodity trading sectors, helps accelerate the product development roadmap and time to market.

This expertise is combined with world-class data science in order to source the appropriate data sources, benchmark them, clean the data and provide recommendations and insights for customers which the Directors believe are relevant and value-added to their day-to-day decisions.

#### **3.2 Cutting edge AI technology**

Windward's technology platform is underpinned by AI technology, with over 15 AI models and algorithms, utilising deep learning, machine learning, pattern matching and anomaly detection, and is supported by a range of models, protected by a registered US patent. By fusing AI, data science and maritime expertise, the Company has built what it believes to be an all-in-one AI platform for maritime insights in the market. Windward's AI decision support platform to augment and manage maritime domain awareness and risks is helping governments and businesses to track, manage, comply and protect maritime assets and operations through increased awareness and Business Intelligence ("BI") insights. These valuable insights are enabled by the Company's world-class data capabilities, sourced from 18 different data providers. Between 2017 and 30 June 2021 the Company has invested approximately US\$25 million on research and development ("R&D") on the technology platform. On 30 September 2021 Windward had 49 employees in its Research & Development department.

#### **3.3 Proven data capabilities**

The Directors believe that Windward's sourcing and managing of third-party data are key factors to its success. In the last few years, the market has seen an exponential growth in the availability of different data sources. The challenge the market faces as a result of that is how to identify, analyse, combine and make sense out of the multiple forms, structures and types of data.

Windward's data strategy is based on two complementary principles:

1. Best of breed – analysing and identifying the most reliable and comprehensive sources
2. Redundancy – making sure it has overlapping data, to enable cross-verification and assure coverage

Differentiated data is a core element in building successful AI products. The Directors believe that Windward's historical, analysed and tagged database, dating back to January 2013 serves as a key competitive advantage.

As a result, as at 30 September 2021, Windward sources data from 18 data providers, including a first dynamic vessel ownership database where it developed a new methodology to identify ownership risk using its proprietary algorithms along with top quality, market-based data sources. Windward has an annual spend of approximately \$2 million on data feeds from these data providers. Windward has built partnerships with various market participants, including a number of shipbrokers in the market, which have ongoing interaction with vessels and owners creating a strong dynamic data sourcing for ownership.

In total, Windward is processing more than 100,000,000 data points daily, cleansing and transforming the data of Windward's core patented Predictive Intelligence Platform to deliver actionable business intelligence.

### **3.4 Significant Total Addressable Market**

The Directors believe that Windward's technology platform is applicable in at least one aspect for all market participants in the maritime and commodity trading sectors, including banks, commodity traders, insurers, government agencies, and major energy and shipping companies, allowing the Company to target an estimated total addressable market that the Directors believe is over US\$10 billion and has more than 250,000 organisations, highlighting the significant opportunity for the Company.

### **3.5 Strong fundamental industry drivers**

The transition towards digitalisation and automation is accelerating in the maritime industry. Digital technologies and solutions are being used to increase competitiveness and enhance operational efficiency. Data feeds from sensors and other sources of information can be used for decision making, enhanced monitoring, and verification.

The Directors believe that Windward is at the crossroads of those key drivers, particularly increasing regulation and compliance, real-time visibility on the supply chain and reducing carbon emissions.

#### **3.5.1 Increasing regulation and compliance**

With an increasing focus from governmental and inter-governmental agencies on compliance and upcoming regulatory changes, the Directors believe that Windward's AI platform is well-positioned to provide important real time information and insights on every commercial vessel at sea. The Directors believe that these insights are critically important against a growing backdrop of deceptive shipping practices such as AIS manipulation, and the need to track, manage, comply and protect maritime assets to help its customers with new regulations.

The U.S. and the United Nations maintain a variety of economic sanctions regimes, including economic sanctions against North Korea, embargoes on Cuba, Iran, Syria, and the Crimea Region, and sanctions targeting sectors of the Venezuelan economy that support the current Venezuelan regime, as well as prohibitions on any kind of dealing with, or for the benefit of, individuals, companies, and vessels designated by the U.S. as Specially Designated Nationals and Blocked Persons ("SDNs"). U.S. sanctions have broad extra-territorial applications, impacting the activities of foreign persons outside of the U.S. This includes the "Sanctions Advisory for the Maritime Industry, Energy and Metal Secrets, and Related Communities" published on 14 May 2020 by the U.S. Office of Foreign Assets Control ("OFAC"), which raised the standards expected for sanction compliance for the maritime eco-system, including the detection and monitoring of deceptive shipping practices. OFAC's direction was followed by the UK's Office of Financial Sanctions Implementation ("OFSI") Maritime Guidance issuing its shipping advisory and guidelines on 27 July 2020, highlighting new global trends in compliance.

In addition to sanction enforcement and regulation, it is clear that the use of technology and data analysis is central to the wider challenge of tackling trade-based money laundering and counter terrorism.

#### **3.5.2 Global green economy impacting the shipping industry**

Global trade would be effectively impossible without the shipping industry, which faces a formidable environmental challenge. World leaders and the scientific community have come to the consensus that greenhouse gas ("GHG") emissions must drastically reduce in the next 30 years — a task that will not be easy. In fact, according to the latest U.N. climate panel's report the "Sixth Assessment Report of the Intergovernmental Panel on Climate Change", unless immediate, rapid, and large-scale action is taken to reduce emissions, the average global temperature is likely to reach or cross the 1.5-degree Celsius warming threshold increase within 20 years.

The shipping industry, which transports roughly 90 per cent. of global trade, currently produces about 3 per cent. of all greenhouse gas emissions but, according to the third International Maritime Organization ("IMO") GHG study published in 2014, could represent as much as 10 per cent. of such emissions by 2050.

The initial greenhouse gas strategy from the IMO laid out aggressive targets for the shipping industry, aiming to reduce CO<sub>2</sub> emissions for transportation sectors by at least 40 per cent. by 2030 on average across international shipping.

New EU regulations introduced in 2021, such as “Fit for 55”, are driving global standards given that the majority of commodity trade finance banks involved in maritime trade are based in the EU. Under these regulations, charterers must account for carbon, for all trades, not just those in the EU and there will be a mandatory carbon cap and an emissions trading scheme from January 2023. Additional upcoming regulations and guidelines include Carbon Intensity Indicator (“CII”), Energy Efficiency Existing Ship Index (“EEXI”), Energy Efficiency Design Index (“EEDI”), Energy Efficiency Operational Indicator (“EEOI”), Sea Cargo Charter, Poseidon Principles and a variety of other regulations.

The decarbonisation agenda runs throughout the maritime supply chain from ship owners and charterers who want to improve efficiency and differentiate their offering through to energy companies that must meet targets and consumers that are demanding change and are willing to amend their buying habits to reward supply chains with leading environmental, social and governance (“ESG”) credentials.

There is now general acceptance that corporate leaders view robust ESG performance, including a reduction of their carbon footprint, as a necessary condition for conducting business. Companies that operate as part of the maritime supply chain often seek to act ahead of regulation and need the right data, tools, and insights to position their companies to meet or exceed these environmental targets. Since more than 95 per cent. of vessels’ fuel consumptions and carbon emissions are driven by their operations, the Directors believe Windward’s expertise in analysing and building models for vessel’s operational behaviours, as well as its proven data capability, provides an inherent competitive advantage.

### **3.5.3 Ocean freight structural industry challenges**

Many companies lack visibility of their shipments in transit. The Directors believe that shippers and third-party logistics providers are struggling to provide their customers with real-time location of shipments and when they will receive them. Consumers and businesses continue to push for visibility and transparency in the supply chain, as the current limited visibility results in instability, delays and poor customer service.

Global trade relies on predictable efficiency. The Directors believe that this is not currently being fully addressed in the ocean freight market. The desired outcome is for shippers and freight forwarders to have advanced early warning of changes to delivery times and for third-party logistics providers to have the ability to provide superior customer service by advising their customers when changes are going to happen. The Directors believe that Windward’s new ocean freight visibility solution planned to be launched in 2022 is expected to provide the ability to identify changes before they happen and provide visibility faster than the shipping companies are able or willing to, which is a key competitive differentiator.

### **3.6 Strong financial track record with high levels of recurring revenue**

The Company benefits from a strong commercial model with high levels of recurring revenue supporting strong revenue and cash flow visibility. As at 30 September 2021, the Company had an ACV of US\$19.7 million (unaudited), 99 per cent. of the revenue being subscription based. For the period between 31 December 2017 to 30 September 2021, Windward achieved a CAGR in its ACV of approximately 30 per cent (unaudited). During the 2017 – 2020 period, net revenues grew from US\$5.9 million in 2017 to US\$14.6 million in 2020. Revenues of US\$5.9 million in 2017 resulted in a gross profit of US\$3.1m. Revenues in 2017 were prepared under US generally accepted accounting principles and are therefore not directly compare with revenues in 2018, 2019 or 2020. Windward’s scalable SaaS model with 79 per cent. gross margins for the year ended 31 December 2020 provides the Company with a clear path towards profitability in the future.

### **3.7 Registered patent**

The Company benefits from one registered US patent granted in February 2021 aimed at protecting the Company’s intellectual property, specifically its big data analysis of maritime-related data. This registered patent ensures that no other party can copy or otherwise obtain and use its proprietary

technology without authorisation, therefore protecting the Company's proposition against existing and new market entrants. Windward also has three pending national patents filed under the Patent Cooperation Treaty ("PCT") application, filed in Israel, Singapore and the United Kingdom to further protect its intellectual property. The Directors believe that due to its specialisation there is significant room for furthering the registered patent portfolio of Windward.

### **3.8 Strong and growing globally spread customer base**

Windward's solutions are used by over 70 globally spread customers, split between 29 governmental and 43 commercial customers, as at 30 September 2021. The Directors believe that the breadth of Windward's customers highlights the quality of the Company's solutions and the potential for increased sales. This is also illustrated by the Company's growth in new customers, with 32 new customer wins in the nine-month period to 30 September 2021, further highlighting the Company's track record of new customer acquisition and effective go-to-market strategy.

### **3.9 Breadth of solutions**

Given the large number of stakeholders in the maritime eco-system, Windward's platform is built to support multiple solutions. The platform layers (data, entities, journeys and patterns) are shared across all solutions, providing the context of behaviours, structures and relationships. Based on this, each solution extracts the relevant indicators to provide vertical-specific insights, recommendations and definitions of risk.

This structure allows Windward to support multiple use-cases from a variety of different maritime markets and verticals. It also allows it to develop new solutions for new markets and allows customisation for each customer as required.

### **3.10 Experienced management team**

Windward's multidisciplinary management team has extensive knowledge and expertise from the worlds of business, maritime, intelligence and data sciences. The management team has grown the Company's operations across new geographies and verticals while developing its technology solution, and benefits from a mixture of maritime, operations management expertise, technical skills and corporate development experience. The senior management team has experience of working in other multinational organisations in their respective disciplines and remains firmly committed to the future growth of the Company and the market in which it operates.

## **4. HISTORY AND BACKGROUND**

Windward was founded in Israel in 2010 by Ami Daniel and Matan Peled, ex-navy officers who identified that although maritime risks pose a major threat to many participants, they had not identified a solution that offered the fusion of multiple data sources and analytics to provide understanding of insights and actionable recommendation to the various stakeholders in the maritime eco-system, as:

- Satellite data was at its infancy, and it was far from obvious that vessels activities across the oceans could be tracked
- The data was un-structured, needed to be collected from various sources and resided in multiple forms and markets
- Its analysis required domain expertise and understanding of maritime practices
- The analysis of the data was largely manual, required significant resources and was not scalable to address the market needs
- Its transformation to insights required a commercial understanding of the different markets and verticals to which it could be applied

The idea of the initial solution was to provide security forces and governmental agencies information on vessels' activities at sea and data driven targeting to identify maritime risks. Windward's approach of analysing and providing insights, not only on static data but also on vessels' activities and behaviour at sea, and being one of the first companies globally to apply activity-based intelligence on vessels to the maritime domain.

As the Company evolved, the Founders realised that the potential applications of near real time maritime visibility were far more wide-reaching than just security and intelligence, and that its data and insights could bring significant value across a much wider maritime eco-system, from marine insurance, financial markets to global supply chains, international trading patterns, and more. Starting in 2018, Windward began to secure customers from the marine insurance market, for both sanctions compliance as well as data driven pricing, with increasing regulation acting as a tailwind to accelerate adoption of the Company's Compliance solution beyond the marine insurance market.

By combining maritime expertise, big data tools, AI and machine learning, the Directors believe that Windward has built a world class, patented Predictive Intelligence Platform that is now powering some of the world's leading intelligence, risk and compliance professionals and has also now been applied by blue chip global enterprises. With strong belief in transparent feedback loops, including exchange of both data and insights, the Predictive Intelligence Platform is based on the real-time, market-sourced data, and Windward's customers can benefit from insights tailored to their controls and workflows. From the U.S. federal agencies and the UN Security Council, Frontex, BP, Shell, HSBC and Gard, Windward's Predictive Intelligence Platform is helping streamline workflows, meet new regulations, and provide the customers a competitive advantage and improved operational efficiency.

The Company's key commercial and financial milestones are highlighted below:

#### ***Financial milestones***

- 2011: received a Series A investment of US\$1.0 million and later a US\$0.5 million from angel investor via Maritime Invest Scandinavian AB;
- 2013: received a Series B investment of US\$4.0 million, led by Aleph, a leading Israeli venture capital fund;
- 2015: received a Series B1 investment of US\$10.7 million led by two Hong Kong based investors, with participation from Series B investor, Aleph, and former Thomson Reuters CEO Tom Glocer;
- 2016: issued a convertible loan note of US\$6.1 million with participation from The Marc R. Benioff Revocable Trust, The Lord Browne of Madingley, and former Prime Minister of the United Kingdom Tony Blair;
- 2018: received a Series C investment of US\$13.3 million led by San Francisco-based insurtech venture capital fund, XL Innovate and La Maison, with existing investors including Aleph and two Hong Kong based investors, also participating;
- 2021: issued the Current CFA of US\$3.3 million with participation from existing investors Aleph, XL Innovate, La Maison and a Hong Kong based investor as well as several new individual investors.

#### ***Commercial and operational milestones***

- 2012: first operational version of Windward Intelligence; first government client win; first Automatic Identification System integration
- 2014: best practice for AIS/SAR award by Frost & Sullivan
- 2015: Windward launches the second generation of its intelligence solution. Won the Red Herring Europe 100 Award
- 2018: first insurance client win, Gard AS; Imagery integration of Planet Labs Inc. Windward selected by Frontex, the pan European border guard, as its maritime domain awareness platform. The Lord Browne of Madingley, former BP CEO, joined the Board. Formed UK and US subsidiaries to enhance its market reach
- 2019: launched Compliance solution; First Compliance client win, Steamship Insurance Management. First U.S. federal customer
- 2020: The Lord Browne of Madingley appointed as Chairman of the Board

- 2020: expansion to multiple verticals of commercial customers within the maritime eco-system, Q2: First energy client win, BP; Q3: First shipping client win, Capital Ship Management Corp and first financial services client win, Danske Bank; and in Q4 signed up second energy client, Shell
- Q1 2021: launched Seven Levels of Ownership and Management Insights and Company Risk Insights, a capability that rounds out the Company's holistic risk management solutions to go beyond traditional maritime data, providing risk insights into every company in the maritime domain
- Q1 2021: Q3 launch of Containers of interest, first integration of container data into Windward's platform. Launch of the Data for Decarbonization Program ("D4D"), a partnership aimed to increase transparency and foster collaboration to reduce carbon footprint within the maritime industry
- Q3 2021: online portal launch for on demand services which the Company believes will appeal to its larger customer base as well as smaller enterprise businesses, giving Windward's platform broader access

Windward has received recognition through a number of awards, including the following recent awards:

- April 2021: Windward won Global Trade Review's Leaders in Trade for Innovation
- March 2021: Windward won the Business Intelligence Group's AI Excellence Award in the Hybrid intelligent system category
- October 2021: Windward won the Frost & Sullivan's Entrepreneurial Company of the Year Award

## 5. MARITIME MARKET OVERVIEW

Seaborn global trade is estimated to be worth approximately \$14 trillion a year, projected to grow by 5 per cent. in 2021 and accounts for 90 per cent. of the world's trade. It is an incredibly complex industry, with multiple stakeholders, including ship owners, shipbrokers, container owners, cargo owners, flagstates, port state control, insurance providers, and providers of trade finance and ship finance.

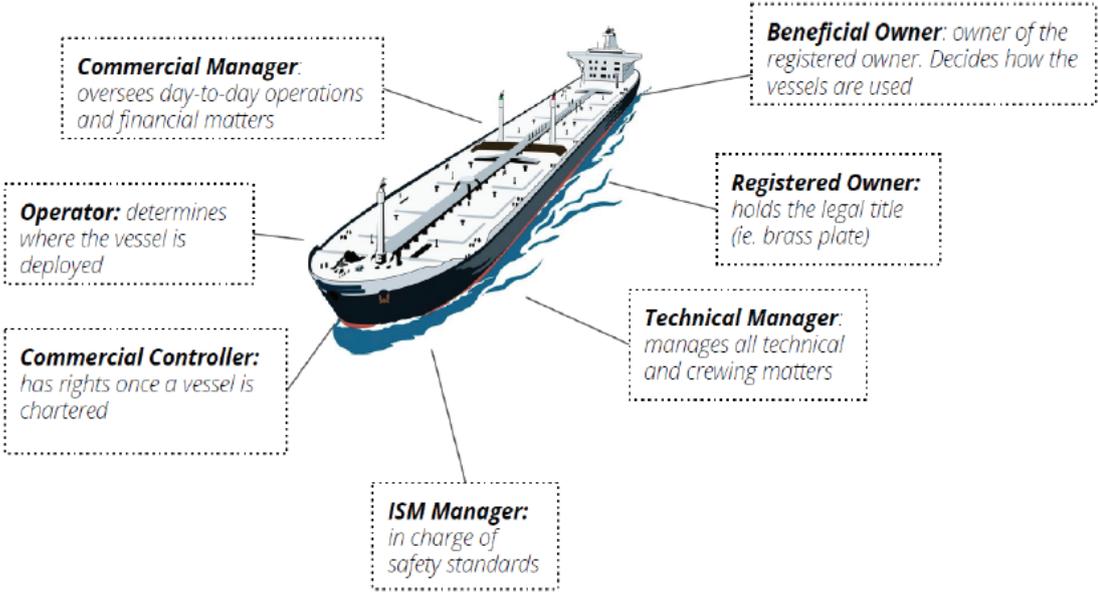
This complexity is further exacerbated by the lack of sovereign control and governance of the high seas.

In 1948, the United Nations established The International Maritime Organization ("IMO"), a specialised agency that is responsible for measures to improve the safety and security of international shipping and to prevent marine pollution from ships.

Only in 2004 did the IMO's International Convention for the Safety of Life at Sea ("SOLAS") require internationally trading ships of 300 gross tonnage and above and all passenger ships regardless of size to fit AIS aboard. AIS is an automatic tracking system originally designed for collision avoidance. Information provided by AIS equipment, such as the vessel's unique identification, position, course, and speed, is intended to enable tracking and monitoring of vessel movements. Vessels fitted with AIS transceivers may be tracked by AIS base stations located along coast lines. Shore based AIS is good for approximately 30 nautical miles from each antenna and when out of the range of terrestrial networks, AIS from satellites is needed. In 2009, space based AIS tracking became available through satellites fitted with special AIS receivers which are capable of deconflicting many vessel signatures, allowing for AIS receivers to identify from which vessels messages come from.

Another area of complexity is the ownership and operational structure of commercial vessels. Maritime ownership is traditionally composed of seven entities, also known as the seven levels of ownership and management. While there is a hierarchy between the entities, the Directors believe it is a misleading simplification. In many cases, entities in the ownership structure will not be easily visible. Furthermore, entities are not necessarily mutually exclusive to each other. For example, it would not be a surprise for the international safety manager ("ISM") and technical manager to be the same entity or entities with an ownership stake in each other.

Windward provides insight into the seven levels of ownership for each specific vessel, enabling a broader view of risk



Source: Company

Due to these complexities within the global shipping industry and the multiple parties involved, there is no consistency in data protocols, which leads to significant challenges in efficiency, as well as potential for significant improvements. Technology is a key driver in achieving clarity and visibility in these markets, which Windward is at the forefront of.

**6. Regulatory Environment**

**6.1 Overview of regulatory environment**

The U.S. and UN maintain a variety of economic sanctions regimes. Most relevant to the maritime and trade eco-system are: (1) broad economic sanctions maintained by the U.S and the UN against North Korea; (2) comprehensive U.S. embargoes on Cuba, Iran, Syria, and the Crimea Region; (3) rapidly evolving U.S. sanctions targeting sectors of the Venezuelan economy that support the current Venezuelan regime – primarily (for now) government-owned businesses and the petroleum and gold sectors; and (4) broad prohibitions on any kind of dealing with, or for the benefit of, individuals, companies, and vessels designated by the U.S. as Specially Designated Nationals and Blocked Persons (“SDNs”).

Familiarity with U.S. sanctions is particularly critical for the maritime sector because these regimes have broad extra-territorial application and the U.S. government aggressively enforces their requirements. Although U.S. sanctions primarily regulate transactions that have a nexus with the U.S., they can reach the activities of foreign persons outside the U.S. in surprising ways, exposing them to civil or criminal penalties, or subjecting them to sanctions which can cut them off from the U.S. economy.

Even when no U.S. nexus exists, the U.S. government reserves the right to impose sanctions on foreign parties whose activities undermine U.S. sanctions objectives. Such sanctions can range from barring vessels from entering the United States for a period after visiting a prohibited port, to designating vessels, individuals, and entities involved in sanctions evasion as SDNs. The latter results in the freezing of assets and an inability to transact with U.S. parties, in the U.S. or elsewhere.

The release of the OFAC report of the U.S. Treasury Department’s Shipping Advisory in May 2020 “Sanctions Advisory for the Maritime Industry, Energy and Metal Secrets, and Related Communities” has increased the risk of adverse OFAC action for actors involved in the supply chain for high-risk maritime transactions. The guidance sets new expectations for vessel due diligence and provides clarification of regulatory expectations regarding what constitutes a red flag, and what controls should be implemented as part of know your vessel compliance procedures. The UK’s HM Treasury

Office of Financial Sanctions Implementations Shipping Advisory published in July 2020 subsequently provided very similar principles and compliance expectations.

The adoption of these regulations by banks and financial institutions drives best practice across the wider industry, in line with the regulations.

## 6.2 Carbon emissions

There are multiple levels of legislation around carbon emissions that have a direct effect on the maritime and global trade industry that have been either already been mandated or are in the process of being rolled out. The EU Fit for 55 package proposed by the European Commission on 14 July 2021, combined with recent other frameworks such as the Sea Cargo Charter, Poseidon Principles, CII, EEXI, and additional upcoming initiatives require ship owners to build robust approaches to screening.

- *The Fit for 55 Package* set out proposals to reach emission targets for greenhouse gas in 2030 to be reduced by at least 55 per cent. and as a result, be similar to the levels in 1990. These proposals will have a direct impact on the maritime sector, including The EU Emissions Trading System (“ETS”), extended to include maritime transport
- *The Fuel EU Maritime Initiative*: A maximum limit on the greenhouse gas intensity of energy used on-board and certain obligations to use on-shore power supply or zero-emission technology
- *The Energy Taxation Directive (“ETD”)*: Introduction of a minimum tax rate on certain fuels / vessels

The Directors believe that the Fit for 55 Package, combined with recent other frameworks such as the Sea Cargo Charter, Poseidon Principles, CII and EEXI provide a substantial opportunity for the provision of tracking, analysing and managing carbon efficient voyaging of vessels for the maritime community.

The maritime industry has started to react to these regulatory changes and new guidelines. As ships have grown in size, this has reduced both cost per container and carbon intensity. Alternative fuel options such as hydrogen and ammonia may offer partial solutions, although carbon capture at sea could provide a breakthrough in sustainability. With fleet renewal happening roughly every 30 years, there will be opportunities to take advantage of these technology breakthroughs, but this alone is not enough. It will be crucial to consider alternative options to remain competitive, compliant with future regulations and to continue to reduce carbon emissions, as the industry will only continue to grow.

The Directors believe these regulatory frameworks provide a material opportunity for Windward's Predictive Intelligence Platform and AI solution. Although industry efforts — including the proposed IMO US\$5 billion shipping R&D Fund to focus on zero-carbon technologies for maritime applications — are already underway, companies need to proactively adapt to stay ahead of regulatory changes and attract business in a competitive marketplace. According to McKinsey, 50 per cent. of the reduction of carbon emissions will come from more efficient fuels with the other 50 per cent. coming from insights, the result of which will improve decision making. The first step is accurately measuring every vessel's daily emission to power decision making. According to research, the way a vessel is operated can dramatically impact its fuel consumption and its resulting carbon emissions.

Windward's core technologies will address both shipowners/operators enabling benchmarking analysis and reporting in parallel to offering AI powered tools for carbon efficient chartering.

## 7. WINDWARD'S PREDICTIVE INTELLIGENCE PLATFORM AND AI SOLUTIONS

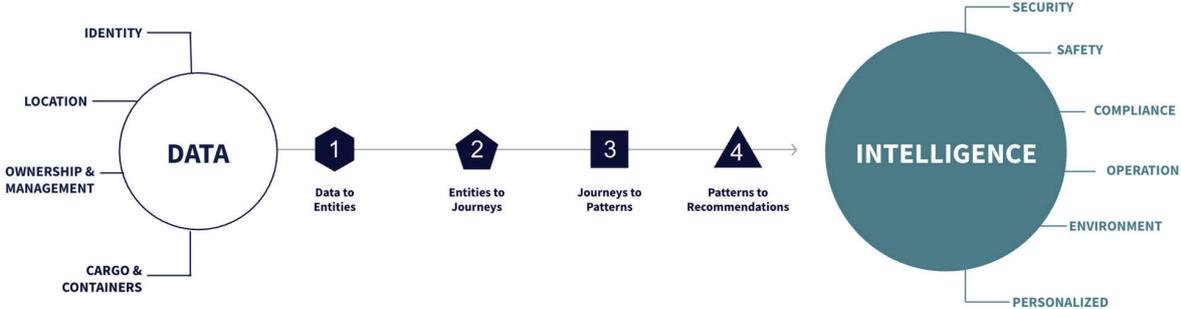
Windward's key objective is to provide real-time behavioural insights and actionable recommendations, designed to meet its customers' needs, ranging from compliance and safety to security, operations and environmental risks.

By leveraging Windward's maritime domain expertise, augmented by AI and machine learning, Windward's Predictive Intelligence Platform fuses multiple sources to go beyond data and automatic identification system transmissions, unlocking dynamic insights into a vessel's ownership, cargo, and behaviours: which is Windward's KYV application.

Windward has built a high-quality AI-driven insights engine, by:

- Gathering data on a vessel, its ownership and its cargo from a breadth of sources
- Creating analysis tools to bring to the surface the context and meaning of the data
- Providing decision support recommendations and insights for a multitude of use-cases
- Delivering all through an efficient and easy to use user experience (“UX”) and application programming interfaces (“API”)

*Data to Insights*



Source: Company

The above picture sets out Windward’s data pipeline process, which includes the continuous collection of data points, followed by data fusion performed by supervised machine learning algorithms which lead to valuable insights for Windward’s customer base.

**7.1 Data pipeline**

Windward’s Predictive Intelligence Platform collects, verifies, processes and integrates multiple data sources to enable users to utilise vessel information and identify threats. These various layers of information include global satellite and terrestrial AIS, vessel images, vessel characteristics and technical details, geolocation information, weather, ownership, port and polygon data, satellite imagery, container data and oil cargo data.

**7.1.1 Data collection**

Windward continuously collects data of different types from a range of external / third party suppliers such as vessel brokers, AIS location data providers, cargo companies and corporate data sources. Windward invests significantly in technological, commercial and analytical resources to obtain, fuse, enrich and transform data sets, including vessel identity, its particulars, location, registry (i.e., who owns the vessel) and cargo.

**7.1.2 Data fusion**

At the core of the platform are proprietary algorithms for maritime data fusion. These algorithms take over 100,000,000 positional data points daily and assign each point to a specific vessel entity. The platform uses supervised machine learning algorithms to determine vessel entities over time, while maintaining the integrity of the data and minimising the creation of false entities. The algorithms unify entities across identity changes, to create a continuous, comprehensive and coherent vessel profile. As part of an ongoing process, Windward is constantly updating and optimising its process to achieve the most accurate and precise vessel data entity resolution.

The data fusion process allows Windward to create an accurate and more reliable picture of movements worldwide over time, as well as preserving context on vessels’ historical activities across multiple identity changes. Importantly, it automatically detects cases of identity tampering and location manipulations. This is achieved through the following key steps:

- Vessel Data cleaning, where the platform includes dedicated algorithms for detecting and cleaning data corruption, to which AIS data is highly prone

- Vessel fingerprinting, where the platform creates a unique and permanent identifier for every vessel for which AIS data is received

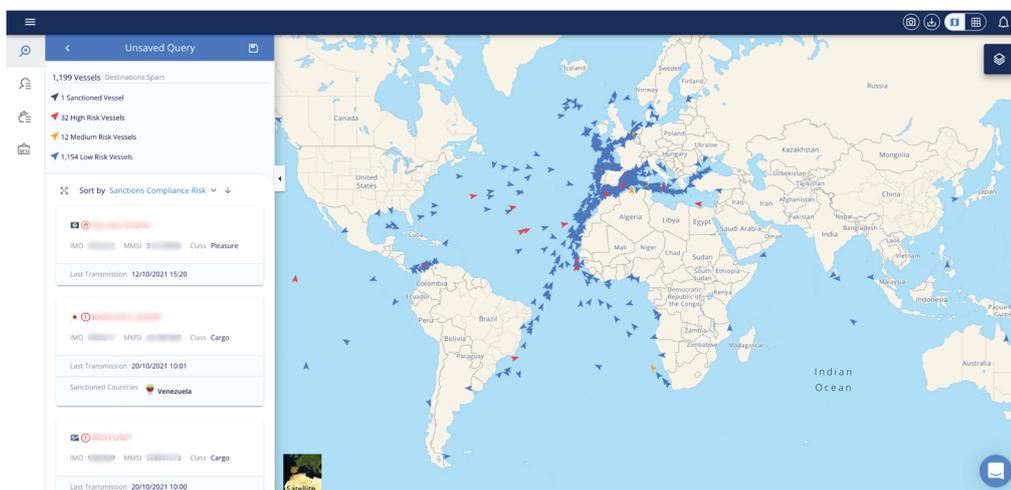
### 7.1.3 Activities and context

The data fusion process allows Windward to create an accurate and more reliable picture of movements worldwide over time, as well as preserving context on vessels' historical activities even when the vessel changes its reported identifiers.

The technology behind this layer allows Windward's Predictive Intelligence Platform to accurately classify specific events. For example, Windward is able to differentiate between mere proximity of two vessels and actual transshipment, between mere loss-of-signal and actual dark activity of a vessel.

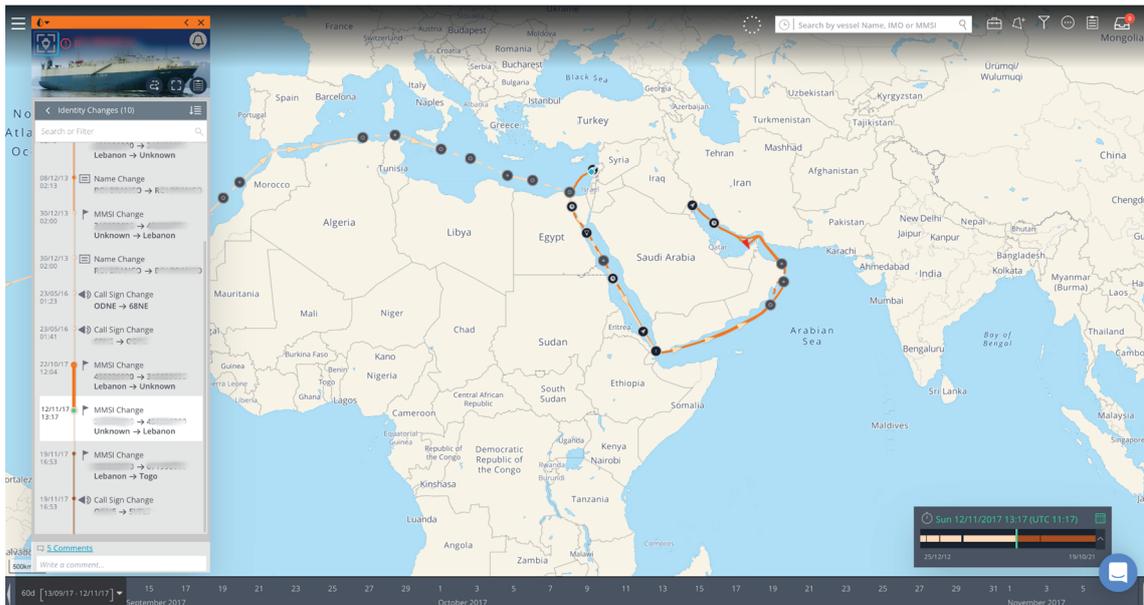
'Activities' are continuously created for all commercial vessels worldwide, and include rich metadata on every event, such as vessel information, position, location (areas), time, duration, and voyage status (e.g., previous & next port). This metadata makes vessel activities easier to query and immediately accessible without dedicated technical expertise.

*Live routings of multiple vessels with different risk assessments (sanctioned vessel, high risk vessel etc.)*



Source: Company

## Vessel routing bringing together multiple data sources (satellite, AIS etc.)



Source: Company

## 7.2 Insights and recommendations

Set out below are the principal risks and use cases that are addressed by Windward's Predictive Intelligence Platform:

**Security:** using machine learning models to rate the propensity of vessels to be involved in illicit activity and providing deep dive investigative capabilities to get to the bottom of it and achieve maritime domain awareness.

**Safety:** using behavioural data to predict the propensity of vessels having various types of safety events (e.g., collision, grounding, mechanical breakdown etc.) as well as the bottom line safety risk score.

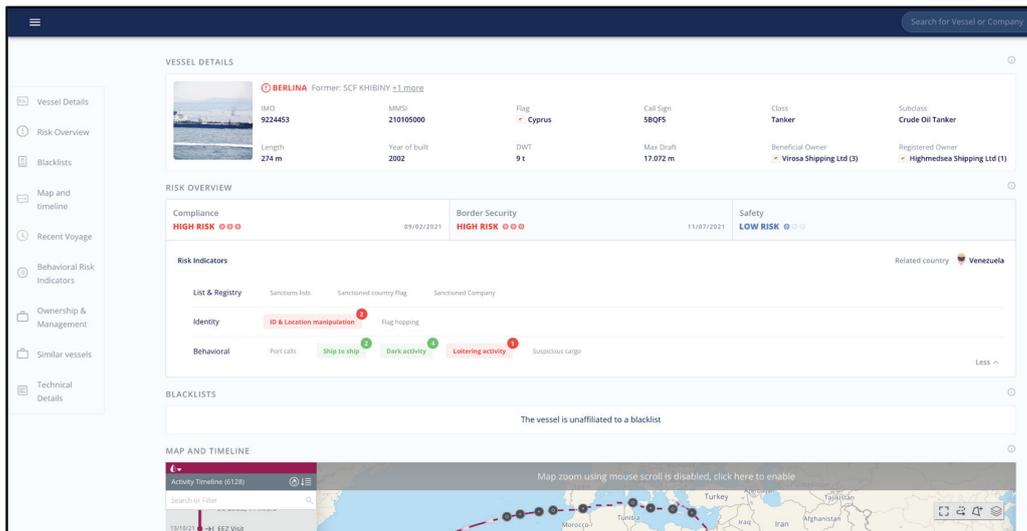
**Compliance:** go / no go recommendations for optimising operations and minimising regulatory risks.

**Environment:** Windward's solutions and insights for the environment are expected to be launched in 2022 and will support forward-looking decisions by creating an accurate global view of the CO<sub>2</sub> footprint of vessels and voyages, based on vessels' actual operations.

Windward's environment solution is built to enable:

- Shipowners to benchmark their fuel consumption and carbon emission levels using an independent set of operational data to understand their fleet's current status, whether it is an owned, managed or operated fleet; and
- Charterers to plan forward looking voyages and optimise carbon emissions by modelling vessels' operational efficiency, and in particular the vessels' dynamic laden speed and ballast leg, to set goals based on behavioural insights, learning from the past and continuously improve to define future goals, and to track goals and objectives to understand the impact of CO<sub>2</sub> emissions.

## Risk 360 view provides AI-powered vessel risk assessments for maritime stakeholders



Source: Company

### 7.2.1 Data for Decarbonization Program

Windward launched its Data for Decarbonization program in September 2021: an industry alliance of market leaders, currently comprising of Abu Dhabi National Oil Company, Sokana Shipping and Trading Ltd., ASM Maritime, and Interunity International, aiming to work together to share expertise, data and technology on the journey to build a real, actionable solution for the maritime industry that will potentially change chartering and shipping decisions and thereby reduce carbon emissions.

### 7.2.2 Ocean freight visibility

In the current ocean freight environment, the Directors believe that the beneficial owners of the cargo and their representatives, the freight forwarders, are often the last to know if there is any delay or change in itinerary of their freight.

Windward's ocean freight visibility solution is focussed on changing that, by providing accurate predictions on any such changes, allowing cargo owners and freight forwarders to prepare for changes, communicate properly to their customers – and ultimately improve their planning.

Windward's approach is to link vessels with containers and drive insight from multiple data sets within Windward's Predictive Intelligence Platform and AI Solution including vessel schedule data, and carrier schedule information.

Windward's ocean freight visibility solution, expected to be launched in the first half of 2022, will support the main shipping management workflows. The solution is expected to enable Windward's customers to:

- Define their list of containers to track
- Review their containers' status and location by cross correlating between various track and trace systems and Windward's data and AI
- Receive notifications and updates regarding different milestones
- Receive actual time of arrival and actual time of departure per container
- Receive dynamic, live, AI powered predicted Expected Time of Arrival ("ETA")
- Integrate the outputs and insights into their information systems

Windward expects the solution to be sold mostly as a mix on an enterprise license and on a fee per container basis. The ocean freight visibility solution is currently at a proof-of-concept stage with several existing customers and is expected to go fully live in the first half of 2022.

### 7.3 Industries

Windward offers its services across several industries, including:

#### **Government:**

- **Defence and intelligence:** Windward uses predictive intelligence to help its customers enhance the missions of defence branches and intelligence agencies to safeguard national interests and security from global safety and security threats
- **Border protection and customs:** Windward helps clients to protect borders with insights to expose and investigate maritime threats as they develop
- **Illegal fishing:** Windward helps spot illegal, unreported and unregulated fishing and provide proof and actionable intelligence

#### **Commercial:**

- **Marine Insurance:** Windward serves eight of the thirteen P&I Clubs (which provide marine liability cover), supporting them through their sanctions compliance screening in line with OFAC and OFSI requirements. Customers also use Windward's Predictive Intelligence Platform and AI Solutions to better understand risk profiles in order to support their pricing models for marine insurance policies
- **Financial Services:** Windward's platform can support trade finance and ship finance banks in their sanctions screening, AML and financial crime targeting and investigations
- **Energy and commodity trading:** Windward supports energy companies in implementing at scale OFAC and OFSI expectations for sanctions compliance. Further opportunities include carbon efficient chartering and enhancement of safety vetting systems
- **Shipowners and operators:** Windward's Predictive Intelligence Platform and AI Solutions can also add value to shipowners in their screening of counterparties for compliance in a sale and purchase transaction and ship-to-ship transfer. In addition, Windward provides compliance certificates to the shipowners and operators. Further opportunities include benchmarking of vessels for carbon emissions as well as optimisation of vessels operations to reduce CO<sub>2</sub> emissions
- **Logistics:** When launched, Windward's ocean freight visibility solution will support freight forwarders and beneficial cargo owners and help them track, predict and manage their containerised goods shipments

## 8. KEY CUSTOMERS

Windward's solutions are used by a diverse list of 72 customers globally spread across the different industries mentioned above. Windward's AI Solutions have been adopted by industry leaders in those various markets. The Directors believe that the quality of Windward's customers is a testament to the strength of the Company's solutions and the potential for sustainable growth of the customer base and revenues.

Windward has demonstrated strong customer momentum, growing from 28 customers at the end of 2019, to 72 as at 30 September 2021, representing 157 per cent. growth.

Windward's customers comprise 29 governmental agencies and 43 commercial customers. Windward's largest customer is a U.S. Federal Agency that accounts for approximately 13.7 per cent. of the Company's ACV as at 30 September 2021 and is engaged in a multi-year contract. No other customer accounts for more than 10 per cent. of Windward's ACV as at 30 September 2021. The next five largest customers account for 30.9 per cent. of the Company's ACV as at 30 September 2021.

### 8.1 Governmental customers

Governmental customers utilise Windward's Predictive Intelligence Platform for its security and safety solutions.

### **8.1.1 U.S. Government**

Windward has relationships with multiple U.S. Government agencies. Windward has been awarded 12 different contracts between 2018 and September 2021. These contracts have been awarded by agencies from the Departments of Defence, Homeland Security, Justice and State. The U.S. governmental customers represent 25.1 per cent. of Windward's ACV as at 30 September 2021.

Windward typically sells a subscription-based solution on a price per user basis. Historically most of the annual awards from the U.S. Government agencies are linked to the U.S. Federal budget cycle which concludes annually at the end of September.

### **8.1.2 Rest of the World Governments**

Windward has engagement with government agencies across Europe, Latin America, Asia, Africa, and the Middle East. The rest of the world governments include 17 customers which represents approximately 53.9 per cent. of Windward's ACV as at 30 September 2021. In most cases Windward is responding to a Request for Proposal ("RFP") processes which can take between 9 to 18 months to conclude. Many of those RFPs are part of a competitive process. Once engaged, some of these government agencies customers may include a performance guarantee in the sum equal to ten per cent. of the proceeds payable to Windward as a performance provision.

## **8.2 Commercial customers**

Windward serves 43 commercial customers as at 30 September 2021. These customers are spread across a diverse range of industries and include HSBC, Standard Chartered Bank, Gard, Danske Bank, Shell Energy and BP. The majority of Windward's commercial customers are based in Europe, with others in the U.S., Asia and the Gulf Cooperation Council ("GCC"). Commercial customers represent 21 per cent. of Windward's ACV as at 30 September 2021

## **8.3 Customer retention**

Windward's Customer Success and Support team, comprising of 12 employees as at 30 September 2021, assists with customer onboarding, technical support, and to ensure that customers are using Windward's Predictive Intelligence Platform to its full potential. As part of that effort, the team continuously monitors customer usage and satisfaction to help ensure a high level of customer satisfaction and retention.

Historically, the Company has enjoyed a high customer retention rate, demonstrated by the fact that since 31 December 2017 to 30 September 2021, only seven customers, representing US\$3 million in the Company's ACV, did not renew their contracts, of which five are governmental customers, with two being commercial customers. In the Company's experience, as a result of budget cycles and timing of RFPs, some government customer renewals might be delayed until the necessary budget is available.

In the Company's experience, the decision by government agencies not to renew was driven by budget constraints. These were further aggravated by COVID-19, which put pressure on government budgets over the course of 2020 and into the first half of 2021. The Directors believe that none of the customers that did not renew their contracts have been switched to a competitor's solution. Contracts for new customers are typically for an initial 12-month duration. The Company's experience is that customers who have renewed have also typically extended the length of their contract to periods longer than 12 months.

## **9. BUSINESS MODEL**

### **9.1 Overview**

The Company principally offers its Predictive Intelligence Platform through a Software as a Service ("SaaS") model, providing annual subscription for customers. Windward offers its solutions to its customers through two main delivery options: either UX application where customers access the Company's solutions online, or through an API that integrates the Company's solutions into the customers' information systems.

The Company's pricing model is based on several parameters including number of users, geographical coverage area of interest (global versus regional), scope of capabilities, length of the contract, service and support level, and method of delivery (UX versus API). In September 2021, the Company launched a new offering targeting a category of customers who wish to use the Company's solution on a per use basis through a newly dedicated web portal. Through the portal, customers can for example purchase reports, alerts, and certificates and pay on a per transaction basis.

## 9.2 Go to market:

Windward's go to market strategy to date is primarily through a direct enterprise sales team. A global solutions experts team work alongside sales directors to build new business relationships. Windward is developing a hybrid go to market strategy incorporating distribution channels and partnerships, and online sales as well as its existing direct enterprise sales team.

- **Direct Enterprise sales:** This has been the source of the majority of the Company's business to date encompassing both commercial enterprise customers and government organisations. Windward has currently 10 employees in its direct sales team. This team has grown by four since the beginning of the calendar year with the opening of two new offices in the U.S. and the UAE
- **Distribution channels & partnerships:** a new indirect go-to-market channel still in development. The Company is developing partnerships and distribution arrangements to provide and embed its solutions on third party platform and marketplaces in order to distribute them to a wider audience
- **Online sales:** Windward has recently launched an online sales portal (portal.Windward.ai) in the third quarter of 2021 providing reports, alert services, and certificates targeting a category of customers who wish to use the Company's solution on a per use basis

## 10. GROWTH STRATEGY

The Directors believe the addressable market for the Company's offering is considerable. The investments in the platform, the expansion of the offering, the increasing regulatory environment and the growing list of blue-chip reference customers, provide the Company with a strong basis for continued new customer acquisition.

The Directors believe that Windward will maintain and expand its growth strategy by ongoing investment in its platform and through strategic product development.

### Land and Expand – upselling and cross-selling opportunity

Customers typically have a particular issue, challenge or workflow need when engaging with Windward. Therefore, Windward often starts a new customer relationship selling only part of the platform's full functionality and to an initial number of users. As the relationship progresses Windward positions itself as the customer's digitalisation partner working with C-suite level executives to explore additional workflows and needs for the customer. This creates an opportunity for expansion of workflows and consequently more users. This creates up-sell and cross-sell opportunities based on workflows, departments and geographies within customers.

### Winning new enterprise and governmental customers

Windward has demonstrated a strong ability to attract new customers, with over 30 customers added in the first three quarters of 2021. Windward will continue to target new tiers of customers, verticals, and geographies. Windward is looking to build on this strong sales momentum, especially with its commercial customers, by making additional investments in the Company's global sales capabilities through the hiring of additional dedicated sales people.

### Expanding the go-to-market approach to further increase the addressable market

Windward expects to enter into partnerships and distribution arrangements to provide and embed its solutions on third party platforms and market places in order to distribute them to a wider audience. In September 2021, the Company launched a new offering targeting a category of customers who wish to use the Company's solution on a per use basis through a newly dedicated web portal.

Through the portal, customers can for example purchase reports, alerts, and certificates and pay on a per transaction basis.

**Innovation / product expansion**

Windward’s strategy is to continue enriching its platform capabilities and adding more solutions and insights to support both existing customers and target new markets. As part of this strategy, Windward is launching two new significant solutions:

- **Environmental solution:** Windward’s solutions and insights for the environment are planned to be launched in 2022 and will support forward-looking decisions by creating a global view of the CO<sub>2</sub> footprint of vessels and voyages, based on vessels’ actual operations
- **Ocean freight visibility:** In the current ocean freight environment, the Directors believe that the cargo’s beneficial owners and their representatives, the freight forwarders, are often the last to know if there is any delay or change in itinerary of their freight. Windward’s Ocean Freight Visibility solution is focussed on changing that, by providing predictions on any such changes, allowing cargo owners and freight forwarders to prepare for changes, communicate properly to their customers – and ultimately improve their planning.

**11. COMPETITIVE LANDSCAPE**

Windward’s Predictive Intelligence Platform applies AI to data in order to provide comprehensive insights. The Directors believe this approach results in significantly lower false-positives (and false-negatives), thus leading to improved decision making for Windward’s customers.

Windward solutions are targeting five broad areas, three currently (Security, Safety, Compliance) and two shortly (Environment and Ocean Freight Visibility). The Directors believe that no one competitor can address all of these five verticals together as highlighted below:

*Windward’s competitive landscape*

Security	Safety	Environment	Compliance	Ocean Freight visibility
WINDWARD <sup>o</sup>	WINDWARD <sup>o</sup>	WINDWARD <sup>o</sup>	WINDWARD <sup>o</sup>	WINDWARD <sup>o</sup>
Lloyd's List IHS Markit POLE STAR SEA VISION CLS PAE	Lloyd's List IHS Markit RIGHTSHIP Concirus	Siglar ZERO NORTH RIGHTSHIP SIGNAL MARITIME NAUTILUS LABS	Lloyd's List IHS Markit POLE STAR ACCUITY DOW JONES RISK & COMPLIANCE	FOURKITES project44 portcast SHIPPEO WAKEO

Source: Company

Although there are other companies in the market which operate in at least one of these areas, none has the same breadth of solution nor AI central to their platform. Windward is strongly positioned in terms of IP, brand, distribution and expertise.

**12. INTELLECTUAL PROPERTY**

**Intellectual property**

Windward’s investment in research & development over the years has built substantial intellectual property assets in the core areas of its activity. These assets are protected by intellectual property rights including copyrights, patents, trademarks, know-how, trade secrets and database rights.

As part of Windward’s intellectual property strategy, Windward has one registered U.S. patent relating to a main pillar of its solution. This patent family relates to application of big data analysis

of maritime raw data to generate the vessel story for each unique vessel in Windward's Predictive Intelligence Platform.

These vessel stories are used to identify behaviour patterns that indicate risk for each specific vessel.

This patent family includes an issued U.S patent, and three pending national phases of a PCT application, filed in Israel, Singapore and the United Kingdom.

Windward considers its intellectual property strategy on an ongoing basis and will, where it deems it to be appropriate, apply for further patents to expand its intellectual property assets.

### **Trademarks**

Windward has applied for three trademarks in Israel and abroad. The Company has pending applications which are still waiting for examinations in Israel, European Union, UK, Singapore and/or the US, for the following trademarks: Windward (word mark), Windward (logo), KYV (word mark).

## **13. RESEARCH & DEVELOPMENT**

Windward has engaged in extensive R&D activity in recent years to ensure the constant development of its product and technology. For the period from 2017 to 30 June 2021, Windward has spent approximately US\$25 million on its R&D activities.

The Company's R&D team currently consists of 49 personnel, principally located in Israel and other smaller locations outside of Israel. The R&D team comprises data scientists, architects, data engineers, full stack engineers, devops engineers and Quality Assurance engineers.

Windward intends to continue to incur significant expenditure on research & development for ongoing development of Windward's predictive intelligence platform and to maintain its technological advantage.

## **14. FINANCIAL FACILITIES, GRANT FUNDING AND ROYALTIES**

Since inception, Windward has funded itself through equity and convertible loans (which, as at Admission, will be fully converted into equity) totalling US\$39 million. Further details on these fundraisings are described in paragraph 4 of Part I of this document.

Windward has also received grant funding from the Israel Innovation Authority totalling \$US1.3 million which as of 30 September 2021 has been fully repaid. Further details on the grant funding is described in paragraph 18 of Part IV of this document.

In addition, the Company has on 20 October 2021 secured a revolving credit debt facility with Bank Hapoalim totalling NIS 14.7 million (\$4.5 million), through to 30 September 2022. Further details on the revolving credit facility are set out in paragraph 16.5 of Part IV of this document.

## **15. DIRECTORS AND SENIOR MANAGEMENT**

### ***The Board***

On Admission, the Board will consist of five non-executive directors and two executive directors, details of whom are set out below, along with details of Windward's senior management:

*Edmund John Phillip Browne, The Lord Browne of Madingley, aged 73 – Non-Executive Chairman*

The Lord Browne of Madingley is an existing Director and joined the Board in April 2018.

The Lord Browne of Madingley is Chairman of BeyondNetZero, a climate growth equity venture established in partnership with General Atlantic. He served as Chief Executive of international energy company BP from 1995 to 2007, having joined the company in 1966 as a university apprentice. He led BP through a period of significant growth and transformation, including a merger with Amoco in 1998. His landmark speech at Stanford University in 1997 established BP as a global leader in the way it thought about and sought to address climate change. In 2007, The Lord Browne of Madingley joined Riverstone, where he was co-head of the world's largest renewable energy private equity fund until 2015. He is independent co-Chairman of the Prime Minister's Council on Science and Technology, Chairman of the Queen Elizabeth Prize for Engineering, Chairman of the Courtauld Institute of Art, and a past President of the Royal Academy of Engineering. The Lord Browne of Madingley holds degrees in Natural Sciences from the University

of Cambridge and an MS in Business from Stanford University. He is a Fellow of the Royal Society, a Fellow of the American Academy of Arts & Sciences, and the author of five books and Founder of the John Browne Charitable Trust.

*Amiad (Ami) Daniel, aged 37 – Chief Executive Officer*

Ami Daniel is co-founder and CEO of Windward. In this capacity he has been featured extensively as an expert in shipping and AI at multiple conferences, events, op-eds and interviews including by The Economist, The FT, WSJ, Bloomberg and many others. He was recognised as one of the 40 most promising entrepreneurs in Israel twice by Israel's leading economical newspapers – Globes and The Marker. Under his leadership Windward has been awarded multiple awards including as a finalist in the Boldness in Business Awards by the FT, Red Herring, The Hottest Startup in Israel by Wired and many others.

Before founding Windward, Ami has been one of Israel's most impactful youth social entrepreneurs, founding a community centre in Haifa when he was 16, as well as another national scale social empowerment program. For these he was given multiple awards including the President's Award and the Ramon Award (both the most distinguished for youth in Israel).

Ami served as a naval officer (Lieutenant) in the Israeli Navy, and he holds an LLB from Tel Aviv University.

*Ofer Segev, aged 62 – Chief Financial Officer*

Ofer joined the Company as Chief Financial Officer on 10 October 2019. With over 25 years of management experience in the high-tech and services sectors in small and large international companies, Ofer was a partner at Ernst & Young in Israel, where he led the high-tech sector team, and he served as Chief Financial Officer of private and public companies including Ness Technologies Inc where he also served as the CEO. Ofer is an independent director and serves as a member of the Audit Committee of Varonis Systems, Inc. (Nasdaq listed company with a market capitalisation of approximately US\$7 billion) and sits on the board of directors of Verix, Inc. Ofer will join the Board conditional on Admission.

*George Thompson (Tom) Hutton, aged 66 – Non-Independent Non-Executive Director*

Tom is Managing Partner at Thompson Hutton LLC a specialised venture capital firm pursuing investments in insurance and financial technology and providing investment management services. The firm manages the operations of XL Innovate Fund, LP, a venture capital initiative started by XL Group plc in 2015 (XL Group plc was acquired by AXA, a global insurance and reinsurance company in 2018). Tom also holds a minority interest in XL Innovate as a limited partner. He has held leadership roles in several financial services and related technology businesses. These have included CEO at Risk Management Solutions (RMS) from 1990-2000 and CEO at White Mountains Re (2006-07); Public Director roles at XL Group, Safeco, Montpelier Re and Jefferson Smurfit; and director roles at several private or venture-backed companies including Lemonade. He founded New Energy Risk in partnership with XL Group plc in 2011 and served as CEO until starting XL Innovate in 2015. He has non-profit roles and interests in secondary school education and energy/environmental initiatives. Tom is currently Chairman of the board of directors at SoFi (Nasdaq listed company with a market capitalisation of approximately US\$12 billion) and serves as a Director of a number of private technology companies.

*Roderick Guy Mason, aged 57 – Proposed Independent Non-Executive Director*

Guy is an independent advisor with broad business, commercial and finance experience, with expertise in shipping and low carbon businesses. He retired from BP at the end of 2020 as Senior VP and Global Head of BP's shipping team. He served on the supervisory board of the UK Chamber of Shipping, the Members Representative Committee of Britannia P&I, the Board and Advisory Committee of ITOPF and the Board of the International Foundation for Aids to Navigation (IFAN). Prior to his time as the Global Head of Shipping, Guy worked in BP's Alternative Energy business building new low carbon energy businesses in China, Italy, Abu Dhabi and California. He is a chartered mechanical engineer, a Fellow of the Institute of Mechanical Engineers and is married to Nicky with two adult children. Guy will join the Board conditional on Admission.

*Shereen Jasmine Amir El Zarkani, aged 42 – Proposed Independent Non-Executive Director*

In her 20 years at A.P. Moller – Maersk, Shereen has worked at the forefront of growth and transformation, moving freely across sales, marketing, business development, strategy, innovation, and recently the startup eco-system. She is currently heading up Maersk Growth, the venture arm of Maersk with the mission to digitise, democratise, and decarbonise the supply chain. Maersk Growth invests in and partners with promising startups by backing emerging business models and technologies. Shereen will join the Board conditional on Admission.

*Stuart Charles Kilpatrick, aged 59 – Proposed Independent Non-Executive Director*

Stuart recently served as Group Finance Director of James Fisher and Sons plc, the UK's leading marine service provider, during which time he saw the group join the FTSE 250. Previous roles have included group finance director for Empresaria Group plc, as well as senior finance roles at Vodafone Group plc, Charles Baynes plc and Elementis Group plc. Stuart will join the Board conditional on Admission.

**Senior Management**

*Matan Peled, aged 40 – Co-Founder and Head of US*

Matan was an officer in the Israeli navy for eight years before co-founding Windward with Ami Daniel, whom he met while serving in the navy. Matan previously managed the Company's product team, and currently runs the sales operations in the US. Over the last 10 years, he has helped grow the Company across four continents and becoming a world leader in the field of maritime insights. Matan holds a bachelor's degree in Business Administration and Management from IDC Herzliya University.

*Irit Singer, aged 48 – Chief Marketing Officer*

Irit joined the Company on 1 October 2020 with over 18 years of management experience in the high-tech industry from start-ups to Fortune 500 global companies. Irit has a demonstrated history of developing and growing businesses. Irit is highly skilled in leading products to market, building and executing marketing strategies, driving revenue and growth. Prior roles also include executive positions at Microsoft, Here Technologies, Mobli and L'Oréal. Irit also serves as a board member at Poalim IBI a leading underwriting company in Israel. Irit holds a bachelor's degree in Electrical Engineering from Tel-Aviv University, and an MBA from Recanati School of Business, Tel-Aviv University.

**16. SUMMARY FINANCIAL INFORMATION**

Part III of this document contains the audited financial information of Windward for the three years ended 31 December 2020, and unaudited financial information for the six months ended 30 June 2020 and 30 June 2021.

The following financial information shows key income statement figures in respect of the performance of Windward, which have been derived from the financial information contained in Part III of this document and should be read in conjunction with the full text of this document. Investors should not rely solely on the information summarised below.

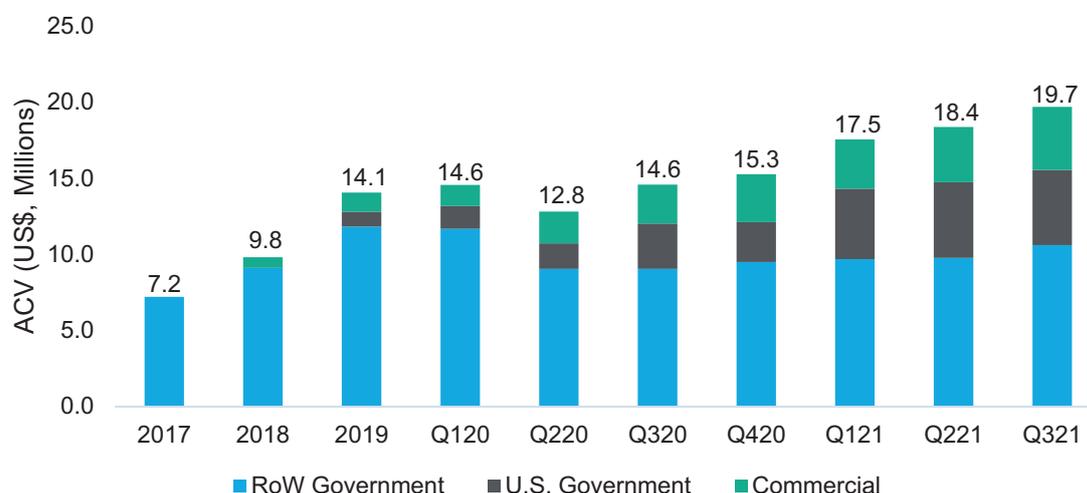
	Year ended 31 December 2018 (audited) US\$'000	Year ended 31 December 2019 (audited) US\$'000	Year ended 31 December 2020 (audited) US\$'000	Six months ended 30 June 2020 (unaudited) US\$'000	Six months ended 30 June 2021 (unaudited) US\$'000
Revenues	8,574	12,078	14,625	7,109	8,089
Cost of revenues	2,848	2,629	3,037	1,346	2,226
Gross profit	5,726	9,449	11,588	5,763	5,863
Operating expenses	12,552	13,409	15,442	7,193	9,774
Operating loss	(6,826)	(3,960)	(3,854)	(1,430)	(3,911)
Financial expenses	924	293	175	103	130
Loss for the year	(7,750)	(4,253)	(4,029)	(1,533)	(4,041)

## 17. CURRENT TRADING AND PROSPECTS

The financial information for Windward for the six-month period ended 30 June 2021 is set out in Part III of this document.

Trading for the third quarter of 2021 is in line with management's expectations and has continued the ACV growth momentum experienced by Windward historically, with its ACV as at 30 September 2021 (unaudited) increasing to US\$19.7 million, a 28.7 per cent. growth in the first nine months of 2021. The growth in the Company's ACV since 2017 is highlighted in the chart below:

*Windward historical ACV per customer type (unaudited)*



Source: Company

This has been driven by the onboarding of 32 new customers to its customer base in the first nine months of 2021. Customer interest in Windward's technology and products remains healthy and consistent with achieving its growth objectives for the remainder of the 2021 financial year. The Directors believe this momentum will continue for the remainder of the year and remain confident about the prospects and growth potential of Windward.

Product and technology development continued apace during the period including the ongoing development of its carbon emissions tracking and ocean freight visibility solutions planned for

launch in 2022. In September 2021, Windward launched its online sales portal to provide reports, alerts, and compliance certificates on a per user basis.

In October 2021, Windward secured a NIS 14.7 million (\$4.5 million) revolving credit facility with Bank Hapoalim (“**Poolim Credit Line**”) for an initial 12-month period which will be used for general working capital purposes. The facility is available until 30 September 2022 and any amounts drawn down under the facility are to be repaid on or prior to that date.

## **18. REASONS FOR ADMISSION AND THE INTENDED USE OF PROCEEDS**

### ***Use of net proceeds***

The Directors believe that Admission will be a significant step in Windward’s expansion and growth activities and will enhance its profile and reputation within its market.

Windward primarily serves government agencies and enterprise customers, and the Directors believe Admission will enhance its credibility when dealing with existing and potential new customers.

The Directors believe that Admission will also provide opportunities to attract, retain and incentivise employees through the use of Windward’s employee share incentive plans.

The net proceeds of the Placing receivable by the Company are approximately £22.5 million (US\$29.9 million). It will be applied principally:

- to sustain Windward’s competitive advantage through the expansion of its due diligence capabilities and further data sources;
- to continue the development and refinement of the Company’s solutions; and
- to invest in sales and marketing, focusing on new geographies and stronger sales channel distribution.

## **19. DETAILS OF THE PLACING AND ADMISSION**

Under the terms of the Placing Agreement, Canaccord Genuity has agreed to use its reasonable endeavours to procure subscribers and purchasers for the Placing Shares and to act as nominated adviser and broker to the Company for the purposes of Admission. The Company has given certain customary warranties as to Windward and its operations and the Company has given an indemnity to Canaccord Genuity.

The Placing, which is not underwritten, is conditional on the Placing Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms prior to Admission and Admission having occurred by 6 December 2021 (or such later date as Canaccord Genuity and the Company may agree, being no later than 20 December 2021).

The Placing comprises:

- the issue of 16,956,255 new Ordinary Shares by the Company which, subject to Admission, will represent approximately 20.8 per cent. of the Enlarged Share Capital and will raise approximately £26.3 million (US\$35.0 million) gross of expenses for the Company. The estimated net proceeds of the Placing receivable by the Company are approximately £22.5 million (US\$29.9 million); and
- the sale of 5,301,810 Existing Ordinary Shares by the Selling Shareholders (including Option Share Sales) which, subject to Admission, will raise approximately £8.2 million gross of expenses for the Selling Shareholders.

Further details of the Placing Agreement are set out in paragraph 16.1 of Part IV of this document. Further details of the Placing are set out in Part IV of this document.

The Directors believe that Admission will, *among other things*:

- raise the profile of Windward among investors, existing and potential customers, and suppliers;
- enhance its credibility when dealing with existing and potential new customers;
- enable the Company raise capital to accelerate Windward's future growth;
- provide the flexibility to raise capital for future corporate acquisitions and to use its quoted securities as consideration for such acquisitions; and
- provide the ability to incentivise key employees through the issue of share options.

## 20. LOCK-INS AND ORDERLY MARKET AGREEMENTS

Each of the following Shareholders, who on Admission will be the holders of 54,544,950 Ordinary Shares in aggregate, representing approximately 66.81 per cent. of the Enlarged Share Capital, have entered into certain lock-in and orderly market arrangements, which have the terms as set out below.

In addition, each of the employees of the Group as at the date of the Placing Agreement who are not selling shareholder will be restricted by the Company, so, except in certain limited circumstances, they will not dispose of any interest in the Ordinary Shares held by them that arose from a conversion of any options held by them for a period of six months from the date of Admission.

Shareholder	Length of lock-in (from Admission)	Length of orderly market agreement (from end of lock-in period)	Aggregate number of Ordinary Shares subject to lock-in and orderly market arrangements	Percentage of Enlarged Share Capital as at Admission
Directors	12 months	12 months	6,438,307	7.9%
Matan Peled	12 months	12 months	6,270,795	7.7%
Maritime Invest Scandinavia AB, Aleph, XL Innovate, La Maison and The Marc R. Benioff Revocable Trust	6 months	6 months	33,885,866	41.5%
Starry Leader Limited, Eliot International Limited and Oscar Time Limited	6 months	Not applicable	7,949,982	9.7%

Further details of the lock-in and orderly market undertakings are set out in paragraphs 16.1 and 16.2 of Part IV of this document.

## 21. NOTIFICATIONS OF SHAREHOLDING

The DTR do not apply to the Company. Shareholders are, however, obliged to comply with the shareholding notification and disclosure requirements set out in the New Articles. Pursuant to the AIM Rules for Companies, the provisions of DTR 5 are incorporated into the New Articles as if the Company were an "issuer". DTR 5 sets out the notification requirements for shareholders and a company where the voting rights of a shareholder exceed, reach or fall below the thresholds of 3 per cent., 4 per cent., 5 per cent., 6 per cent., 7 per cent., 8 per cent. 9 per cent., 10 per cent. and each 1 per cent. threshold thereafter up to 100 per cent. DTR 5 provides that disclosure by a Shareholder to the Company must be made within two trading days of the event giving rise to the notification requirement and the Company must release details to a regulatory information service as soon as possible following receipt of a notification.

If a Shareholder is a non-Israeli entity and it acquires or holds 5 per cent. or more of the Company's issued and outstanding share capital, such foreign acquirer or investor must execute and submit to the IIA a standard form of undertaking to comply with the restrictions of the Innovation Law. A copy of the standard form of undertaking is available through the IIA's website (<https://innovationisrael.org.il/en/>). In addition, the Company will provide any such Shareholders with an annual confirmation of compliance with the Innovation Law. A copy of the standard form of undertaking is available through the IIA's website.

Additionally, under the IIA rules, the IIA needs to be notified of the proposed Admission, and the IIA grants and attendant restrictions need to be disclosed in the applicable prospectus or equivalent document, as is the case in this document.

## **22. ENVIRONMENTAL, SOCIAL AND GOVERNANCE RESPONSIBILITY (ESG)**

### **22.1 Environmental and Social**

#### *Protecting the world through better compliance and environmental policies*

Windward's central purpose is to make the maritime eco-system a better, more transparent and fairer environment for everyone. Windward is proud of the role its solutions play in improving the accountability of global maritime trade whilst reducing carbon emissions and protecting ocean resources for the next generation.

Through Windward's technology, the Company helps its government and commercial customers have the clarity and insight needed to make intelligence-driven decisions that reduce maritime risk, comply with regulations and uphold governance standards. By enabling more informed decision making, Windward can help combat nefarious activities throughout the complex maritime trading eco-system and support a better global governance framework for the benefit of all stakeholders.

The wide applicability of the Company's Predictive Intelligence AI platform powered insights provides a valuable tool far beyond security and intelligence to also protecting the environmental resources and making maritime trade more sustainable. One such initiative is the work Windward has done with ocean conservation organisation, Sea Shepherd Global, whereby the Company's platform is provided on a pro bono basis to support the organisation's work combatting illegal fishing.

The launch of Windward's Decarbonization Programme is, in the Directors' views, an important step in supporting the industry's journey toward net zero. The solution is aimed at connecting a number of participants across the industry to get a holistic view of emission performance and act as a collaborative enabler to challenge commercial process and curb global emissions. The aspirations are big: with Windward's optimal vessel selection product planned for launch in 2022, the Directors believe that the carbon footprint of the shipping industry can be reduced. According to the research paper "Energy efficiency with the application of Virtual Arrival policy" (Jia et al., 2017), by optimising the vessels' selection process, charterers will be able to reduce carbon emissions per voyage by 5 to 12 per cent. The data collected as part of the Data for Decarbonization Programme will power Windward's models and allow the release of the product as planned.

#### *Upholding its values*

The long-term sustainability of Windward's business is a primary focus for the Board and as part of this, the Company continues to assess how it grows its business responsibly and consider all stakeholders in its strategic planning. As a starting point, Windward has built a strong foundation of values to inform its identity and govern its decision-making process, centred on the following pillars:

- **Partnership:** Windward is invested in helping its partners achieve their missions through our maritime intelligence platform and will always go the extra mile to get them there.
- **Trust:** Windward delivers fully transparent maritime intelligence and insights so its partners can be confident that they are making accurate decisions for their business.
- **Expertise:** Windward has a proven maritime track record, with a combined experience of 200+ years from naval commanders, maritime data scientists, and maritime trade and shipping leaders.
- **Innovation:** Windward believes that it can always do better and is continuously upgrading its data and technologies to deliver better, faster, and more powerful maritime AI solutions for the entire maritime supply chain.
- **Leadership:** Windward believes it is shaping the future of maritime intelligence by looking over the horizon to identify and build the solutions that organisations will need to stay ahead of the game.

#### *Supporting its communities*

Windward endeavours to have a positive impact on its communities and as part of this the Company's priorities include:

- Making its platform available free of charge to certain NGOs to support their work, such as the Center for Advanced Defense Studies, a non-profit research organisation reporting on global conflict and transnational security issues.
- Collaborating with universities and bringing on student interns to support employment, skills, training and education within our community.
- The Company promotes team activities that support local charities, including within an organisation that works to prevent violence against women. The Company has also been involved with a philanthropic fund, Tmura, which seeks to support educational initiatives and youth opportunities, through the issue of the Tmura Warrant which will be exercised immediately prior to Admission.

#### *Looking after its employees*

The Company is committed to providing a supportive work environment to its personnel and its partners. Windward's initiatives can be summarised below:

- Communication and inclusion are key tenants of employee engagement, with weekly all hands Company meetings to share relevant information across the entire Group.
- In practice, Windward works to be an equal opportunity employer and look to promote from within the organisation through training and staff progression policies. The Company holds management workshops for new managers with personal development plans for employees.
- Windward strives to improve gender diversity, starting at Board level.
- The Company employs a dedicated well-being expert who oversees initiatives to support employee mental health.

#### *Ensuring robust standards*

Windward strives to be its customers' most trusted partner. To adhere to that responsibility, the Company set in place proper information security policies, including being ISO 27001 certified.

## **22.2 Governance**

The Directors acknowledge the importance of high standards of corporate governance and intend, given Windward's size and the constitution of the Board, to comply or explain with the principles set out in the QCA Code. The QCA Code sets out principles of good corporate governance practice for small and mid-size quoted companies. The Board has adopted the QCA Code with effect from Admission and the Company will take steps to ensure compliance by the Directors and relevant employees with the key governance principles of the QCA Code. Brief details of how the Company intends to apply these key governance principles from Admission are set out below.

### **Principle 1: Establish a strategy and business model which promote long-term value for shareholders**

Windward's business model and strategy is set out in paragraphs 9 and 10 of this Part I. The Directors believe that Windward's business model and current growth strategy will help to promote long-term value for Shareholders. The principal risks facing the Group are set out in Part II of this document. The Directors will continue to take appropriate steps to identify risks and undertake a mitigation strategy to manage these risks following Admission.

### **Principle 2: Seek to understand and meet shareholder needs and expectations**

Prior to Admission, the Directors undertook a roadshow which has informed the Company as to its Shareholders' expectations following Admission. Following Admission, the Directors intend to continue to communicate with Shareholders on a regular basis. Contact details for shareholder communication can be found in the 'Investor Relations' section of the Company's website at [windward.ai](http://windward.ai) and the Board also encourages all Shareholders to attend its annual general meeting ("AGM"), where they will be given opportunities to ask questions of the Board. Shareholders will also be kept up to date via announcements made by the Company through a Regulatory Information Service in respect of, among other things, financial information, matters of material substance and/or a regulatory nature and the results of its AGM.

**Principle 3: Take into account wider stakeholder and social responsibilities and their implication for long-term success**

The Group takes its corporate social responsibilities seriously and is focused on maintaining effective working relationships across a wide range of stakeholders including, Shareholders, staff, customers and suppliers as part of its business strategy. The Directors and the senior management, whose details are set out in paragraph 15 of this Part I intend to maintain an ongoing and collaborative dialogue with such stakeholders.

**Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation**

The principal risks facing Windward are set out in Part II of this document. The Directors will take appropriate steps to identify risks and undertake a mitigation strategy to manage these risks following Admission. A review of these risks will be carried out at least on an annual basis as part of the audit process. The Board has overall responsibility for the determination of Windward's risk management objective and policies and has also established the Audit Committee.

**Principle 5: Maintain the Board as a well-functioning, balanced team led by the chair**

On Admission, the Board will comprise:

- five non-executive directors including the non-executive chairman; and
- two executive directors.

The composition of the Board reflects a blend of different experiences and backgrounds as described in paragraph 15 of this Part I. The Board considers that Guy Mason, Shereen El Zarkani and Stuart Kilpatrick are independent directors. In light of the fact that Tom Hutton is managing partner at Thompson Hutton LLC, which manages the XL Innovate shareholding in the Company, he is not deemed to be independent. The Board believes that the size and composition of the Board is appropriate given the size and stage of development of Windward.

The Board is also supported by the Audit Committee, the Remuneration Committee and Nominations Committee, further details of which are set out below.

The Board will meet regularly, and processes are in place to ensure that each Director is, at all times, provided with such information as is necessary to enable each Director to discharge their respective duties.

The Board has not designated one of the non-executive directors as the senior independent director, as that role is not deemed appropriate at this stage of the Company's development, however, the Board will keep this under review.

**Principle 6: Ensure that between them the Directors have the necessary up to date experience, skills and capabilities**

The skills and experience of the Directors are summarised in their biographies set out in paragraph 15 of this Part I. The Directors believe that the Board has the appropriate balance of diverse skills and experience in order to deliver on Windward's objectives following Admission. Experiences are varied and contribute to maintaining a balanced board that has the appropriate level and range of skill to drive Windward forward. The Board is not dominated by one individual and all Directors have the ability to challenge proposals put forward to the meeting, democratically. The Directors have also received a briefing from the Company's nominated adviser, Canaccord Genuity, in respect of continued compliance with, among other things, the AIM Rules for Companies and the Company's solicitors in respect of continued compliance with, among other things, MAR.

**Principle 7: Evaluate Board Performance based on clear and relevant objectives, seeking continuous improvement**

The Directors will consider the effectiveness of the Board, Audit Committee, Remuneration Committee, and evaluate the performance of the Board as a whole through the wider strategy review and future planning discussion. The Company has a Nominations Committee, which will conduct a regular assessment of the performance of the Board.

### **Principle 8: Promote a corporate culture that is based on ethical values and behaviours**

Windward has a responsibility towards its staff and other stakeholders. The Board promotes a culture of integrity, honesty, trust and respect and all employees of Windward are expected to operate in an ethical manner in all of their internal and external dealings.

The Company's Code of Conduct and policies promote this culture and include such matters whistleblowing, social media, anti-bribery and corruption and general conduct of employees. The Board takes responsibility for the promotion of ethical values and behaviours throughout Windward, and for ensuring that such values and behaviours guide Windward's objectives and strategy.

### **Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board**

The non-executive chairman leads the Board and is responsible for its governance structures, performance and effectiveness. The Board retains ultimate accountability for good governance and is responsible for monitoring the activities of the executive team. The non-executive directors are responsible for bringing independent and objective judgement to Board decisions. The executive directors are responsible for the operation of the business and delivering the strategic goals agreed by the Board.

The Board is supported by the Audit Committee, Remuneration Committee and Nominations Committee, further details of which are set out below. There are certain material matters which are reserved for consideration by the full Board. Each of the committees has access to information and external advices, as necessary, to enable the committee to fulfil its duties.

The Board intends to review Windward's governance framework on an annual basis to ensure it remains effective and appropriate for the business going forward.

### **Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders**

The Company's annual report and accounts, as well as its half year report, will be key communication channels through which stakeholders will be informed as to how the Company is governed, how Windward is progressing in meeting its objectives and any updates to its strategic targets,

In addition, the Board will use the Company's AGM as a mechanism to engage directly with Shareholders, to give information and receive feedback about the Group and its progress. The Company's website will be updated with information regarding Windward's activities and performance, including financial information, and contact details for shareholder communication can be found in the 'Investor Relations' section of the Company's website at [windward.ai](http://windward.ai).

Following Admission, the Company will disclose on its website and within its annual report and accounts how the Company complies with the QCA Code and, where it departs from the QCA Code, the Company will explain its reasons for doing so. The Company will review this information annually in accordance with the requirements of AIM Rule 26.

The Company's proposed corporate governance practices are described below.

#### **The Board**

The Board is responsible for the overall management of Windward. The Board will meet quarterly and otherwise on an as-required basis, to, *inter alia*, review, formulate and approve Windward's strategy, budgets, corporate actions, financial reports and oversee Windward's progress towards its goals. The key procedures which the Board intends to establish with a view to providing effective internal financial control include the following:

- the Board has adopted and reviewed a comprehensive annual budget for the Company, and quarterly results will be examined against the budget and deviations will be closely monitored by the Board; and
- the Board is responsible for maintaining and identifying major business risks faced by the Company and for determining the appropriate courses of action to manage those risks.

The Board's duties and responsibilities will be in accordance with the Companies Law.

The Company has established an Audit Committee, a Remuneration Committee, and a Nominations Committee, each with formally delegated duties and responsibilities and with written terms of reference. From time to time, separate committees may be set up by the Board to consider specific issues when the need arises.

### **Audit Committee**

The Audit Committee will have the primary responsibility of monitoring the quality of internal controls to ensure that the financial performance of Windward is properly measured and reported on. It will receive and review reports from Windward's management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout. The Audit Committee will meet not less than twice in each financial year and will have unrestricted access to Windward's external auditors. The members of the Audit Committee will include a minimum of two non-executive directors, Stuart Kilpatrick (as chairman), Guy Mason and Shereen El Zarkani.

The Companies Law sets forth the duties and responsibilities of the Audit Committee and the qualification to serve as a member in the committee, including that all members must be Directors. Among others, the Audit Committee is responsible to the classification and approval of certain interested party transactions and to monitor the failure in the business of the company.

### **Remuneration Committee**

The Remuneration Committee will be responsible for determining and agreeing with the Board the framework or broad policy for the remuneration of the Company's executive directors, (including the chairman of the Board (where executive, or when receiving compensation for his chairmanship) and certain other members of the executive and senior management and to approve their remuneration (in addition to all other required approvals under the Israeli Companies Law). The Remuneration Committee will also make recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time. The Remuneration Committee will meet as and when necessary, but at least twice each year. The members of the Remuneration Committee shall include a minimum of two non-executive directors, Shereen El Zarkani, Tom Hutton and Guy Mason (as chairman). The Companies Law set forth the duties and responsibilities of the Remuneration Committee and the qualification to serve as a member in the committee, including that all members must be Directors. The Remuneration Committee has retained a firm of remuneration consultants to advise the Remuneration Committee on incentivisation options for the Windward team.

### **Nominations Committee**

The Nominations Committee will be responsible for reviewing the structure, size and composition of the Board, preparing a description of the role and capabilities required for a particular appointment and identifying and nominating candidates to fill Board positions as and when they arise. The Nominations Committee will meet as and when necessary, but at least twice each year. The members of the Nominations Committee shall include at least one non-executive director, Tom Hutton and Stuart Kilpatrick and The Lord Browne of Madingley (as chairman).

### **Anti-bribery and anti-corruption policy**

The Company has adopted a group-wide anti-bribery and anti-corruption policy which applies to the Board, employees of all its subsidiaries and associated persons of Windward. It sets out their responsibility to observe and uphold a zero-tolerance position on bribery and corruption in the jurisdictions in which Windward operates, as well as providing guidance to those working for Windward on how to recognise and deal with bribery and corruption issues and the potential consequences. The Company expects all employees, agency workers, suppliers, contractors, agents, sponsors and consultants to conduct their day-to-day business activities in a fair, honest and ethical manner, be aware of and refer to this policy in all of their business activities worldwide and to conduct business on the Company's behalf in compliance with it. Management at all levels are responsible for ensuring that those reporting to them, internally and externally, are made aware of and understand this policy.

### **Israeli Law Requirements in respect of Board composition and governance**

In accordance with the Israeli Companies Law, a company whose shares were offered to the public or whose share are listed on a stockmarket, is required to appoint at least two External Directors within three months of Admission. The External Directors must meet certain statutory requirements of independence. Guy Mason, Shereen El Zarkani, and Stuart Kilpatrick are nominated as the External Directors on the Board.

The term of office of an External Director is three years, which can be extended for two additional three year terms. Under the Companies Law, External Directors are elected by shareholders and approval of the election of an External Director must satisfy either of the following tests:

- (a) The shares voted in favour of the election must include a majority of the shares voted by shareholders other than controlling shareholders or shareholders who have a personal interest in the election of the External Director (excluding a personal interest that is not related to a relationship with controlling shareholders), in counting the total votes of such shareholders, abstentions shall not be taken into account.
- (b) The total number of shares held by non-controlling shareholders and shareholders without a personal interest in the election of the External Director (excluding a personal interest that is not related to a relationship with the controlling shareholders) that voted against the election of the External Director must not exceed two per cent. of the aggregate voting rights of the Company.

An External Director may be elected for an additional term by one of the following procedures:

- (a) A Shareholder holding at least one per cent. of the aggregate voting rights of the Company proposed his nomination for an additional term, the nomination has been approved by the Shareholders by a majority vote and all of the following conditions have been complied with:
  - (i) the shares voted in favour of the election must include at least a majority of the shares voted by shareholders other than controlling shareholders or shareholders who have a personal interest in the election of the External Director (excluding a personal interest that is not related to a relationship with controlling shareholders) as well as abstentions;
  - (ii) the total number of shares voted in favour of the election and held by non-controlling shareholders and shareholders without a personal interest in the election of the External Director (excluding a personal interest that is not related to a relationship with the controlling shareholders) must exceed two per cent. of the aggregate voting rights of the Company; and
  - (iii) the External Director to be appointed for an additional term is not a related shareholder or competitor or a relative of such a shareholder at the time of nomination, and is not affiliated to a "related or competing shareholder" at the time of nomination, or in the preceding two-year period.

A "related or competing shareholder" means a shareholder that proposed the nomination or a material shareholder, provided such shareholder or a controlling shareholder thereof or a company controlled by such shareholder or the controlling shareholder thereof, maintains business relations with the Company or are competitors of the Company.

- (b) The Board proposed the nomination of the External Director for an additional term, and the nomination was approved in accordance with the procedure set out in sub paragraph (a) above.
- (c) The External Director to be appointed for an additional term proposed his own nomination for an additional term, and the nomination was approved in accordance with the procedure set out in sub paragraph (a) above.

Subject to the provisions of the Companies Law, an External Director can only be removed from office (without consent) in one or more of the following circumstances:

- (a) by a competent court which, upon the application of either the Company, a director, a shareholder or a creditor of the Company, orders termination of the office of that director because it has determined either that: (a) he/she is permanently unable to fulfil his functions or

- (b) during his/her appointment he/she has been found guilty in a court outside of Israel of bribery, deceit, an offence of a manager of a corporate body or an offence involving the misuse of inside information;
- (b) by a competent court which, upon the application of a director or shareholder of the Company, orders the termination of the office of that director because it has determined that he/she has ceased to fulfil one of the conditions required under the Companies Law for his/her appointment as an External Director or that he/she has breached his fiduciary duty to the Company;
- (c) by a shareholders' resolution passed by the same majority required for the appointment of an External Director provided that the Board has determined that either (a) he/she no longer complies with the conditions set out by the Companies Law for the appointment of such a director or (b) he/she has breached his fiduciary duty to the Company.

Any committee of the Board, that can exercise the powers of the Board, must, among others, include at least one External Director and the Audit Committee, the Remuneration Committee (which both must comprise at least three members) and the Nominations Committee must each include all of the External Directors (including one External Director serving as the chair of the Audit Committee and Remuneration Committee), and a majority of the members of each of the Audit Committee and Remuneration Committee must comply with the director independence requirements prescribed by the Companies Law.

At least one of the External Directors must have "accounting and financial expertise" and any other External Director must have "accounting and financial expertise" or "professional qualification", as such terms are defined by regulations promulgated under the Companies Law.

The Audit Committee, the Remuneration Committee and the Nominations Committee may not include the chairman of the Board, or any director employed by the Company, by a controlling shareholder or by any entity controlled by a controlling shareholder, or any Director providing services to the Company, to a controlling shareholder or to any entity controlled by a controlling shareholder on a regular basis, or any Director whose income is primarily dependent on a controlling shareholder, and may not include a controlling shareholder or any relatives of a controlling shareholder.

Individuals who are not permitted to be members of the Audit Committee, Remuneration Committee or Nominations Committee may not participate in the meeting of the committees other than to present a particular issue if invited to do so. However, an employee who is not a controlling shareholder or relative may participate in the Committee's discussions if invited to do so but not in any vote, and the Company's legal counsel and secretary may participate in the Committee's discussions if invited to do so.

In addition, the Company will be subject to the Companies Law which regulates acquisitions of shares through tender offers and mergers, requires special approvals for transactions involving directors, officers or significant shareholders of the Company, and regulates other matters that may be relevant to these types of transactions. Further detail on such matters is set out in paragraphs 21 and 27 of this Part I and paragraphs 8 and 9 of Part IV of this document.

### **23. DIVIDEND POLICY**

Following Admission, when it is commercially prudent to do so and subject to the availability of distributable reserves, the Board may in future approve the payment of dividends. However, at present, the Directors consider that it is more prudent to retain cash to fund the development of the Company and, as a result, feel it is inappropriate to give an indication of the likely level or timing of any future dividend payment.

### **24. SHARE DEALING POLICY**

The Company has adopted, with effect from Admission, a share dealing policy for Directors and applicable employees of the Company for the purpose of ensuring compliance by such persons consistent with the provisions of MAR and of the AIM Rules for Companies relating to dealings in the Company's securities (including, in particular, Rule 21 of the AIM Rules for Companies). The Directors consider that this share dealing code is appropriate for a company whose shares are admitted to trading on AIM.

The share dealing policy, among other things, regulates trading and confidentiality of inside information for persons discharging managerial responsibility (“PDMRs”) and persons closely associated with them and applicable employees, and contains provisions appropriate for a company whose shares are admitted to trading on AIM. The Company will take all reasonable steps to ensure compliance by PDMRs and any applicable employees with the terms of that share dealing policy.

The Company has also adopted social media and disclosure policies, which have been communicated to the Directors and employees.

## **25. SHARE OPTION SCHEME**

The Board believes that it is important that directors and employees of Windward are appropriately and properly motivated and rewarded.

Accordingly, the Company established and adopted the current Share Option Scheme in June 2021 in which eligible employees and executive officers and directors are invited to participate at the discretion of the Board, such scheme currently being limited in total to approximately 17.7 per cent. of the Company’s issued share capital from time to time, as may be adjusted in accordance with the terms of the New Articles and applicable law. The Share Option Scheme also enables the Company to make awards to non-executive directors and consultants, including awards of Restricted Share Units and restricted stock. The current Share Option Scheme replaced the earlier 2011 share option scheme and further details of the schemes can be found in paragraph 12 of Part IV of this document.

In connection with Admission, the Company has permitted holders of Options to exercise a defined proportion of their Options and sell the resulting Option Sale Shares in the Placing. The Option Sale Shares will be issued by the Company immediately prior to Admission and then sold by the Option Selling Shareholders pursuant to the Placing.

On Admission, the Company will have 9,750,114 Options outstanding representing approximately 9.8 per cent. of the Enlarged Share Capital. Additional information relating to the Options, is set out in paragraph 4.14 of Part IV of this document.

## **26. TAXATION**

Your attention is drawn to the information on taxation relating to the Company and Shareholders in the UK and Israel contained in paragraphs 22 and 23 of Part IV of this document. If you are in any doubt as to your tax position, you should consult your own independent financial adviser immediately if you are resident in the UK or, if you are not resident in the UK, from an appropriately authorised independent financial adviser in your own jurisdiction.

## **27. EFFECT OF AN ISRAELI DOMICILE**

The Company is a company incorporated under the laws of Israel. There are a number of differences between the corporate structure of the Company and that of a public limited company incorporated in the United Kingdom. The Company has included in its New Articles provisions which aim to replicate certain provisions of standard UK public company articles of association and appropriate provisions of UK company law and regulation, subject to the constraints and limitations of prevailing Companies Law and practice.

Paragraph 22.2 of Part I of this document (Israeli Law requirements in respect of Board composition and governance) includes Companies Law requirements regarding the appointment of two non-executive directors to be External Directors, and the requirements regarding the composition of the Audit Committee, Remuneration Committee and Nomination Committee.

Paragraph 28 of Part I of this document (The City Code) includes that whilst the Takeover Code does not apply to Windward, the Company has incorporated certain provisions in its New Articles which seek to provide certain protections to Shareholders otherwise afforded by the Takeover Code. In addition, the Company will be required to comply with Companies Law requirements regarding mergers, special tender offers and full tender offer.

Included within Part II (Risk Factors) are a number of risks relating to the Company’s domicile in Israel.

Paragraph 8 of Part IV of this document (New Articles of Association) contains a description of the Company's new constitutional documents to incorporate English law principles in relation to, *inter alia*, share authorities, shareholders' pre-emptive rights, notifiable interests in shares and takeovers.

Paragraph 9 of Part IV of this document (Summary of Applicable Israeli Statutory Provisions) contains provisions that are also applicable to the Company by virtue of the requirement to comply with the Companies Law.

## **28. THE CITY CODE**

The Company is incorporated in Israel and, as such, the Takeover Code does not apply to it. However, the Company has incorporated certain provisions in its New Articles, which will be in effect from Admission and which seek to provide Shareholders with certain protections otherwise afforded by the Takeover Code. These include provisions similar to Rule 9 of the Takeover Code which requires that any person who acquires, whether by a series of transactions over a period of time or not, an interest (as defined in the Takeover Code) in shares which, taken together with shares in which he is already interested or in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares. Similarly, Rule 9 of the Takeover Code also provides that when any person, together with persons acting in concert with him, is interested in shares which, in aggregate, carry more than 30 per cent. of the voting rights of such company, but does not hold shares carrying 50 per cent. or more of such voting rights, a general offer will normally be required if any further interest in shares is acquired by any such person. These provisions, like others contained in the New Articles, are enforceable by the Company (acting through the independent non-executive directors) against Shareholders. However, the Company would need to take action to enforce such provisions in the Courts of Israel without any guarantee that any such action would be successful or any certainty as to what the costs of doing so would be. Further details of the relevant provisions of the New Articles are set out in paragraph 8 of Part IV of this document.

In addition, the Company will be subject to Israeli corporate law which regulates acquisitions of shares through tender offers and mergers, which are set out below:

### ***Mergers***

A merger is defined, for the purposes hereof, as the transfer of all assets and liabilities, including conditional, future, known and unknown liabilities of an absorbed company to a surviving company, as a result of which the absorbed company is wholly absorbed into the surviving company. The Companies Law permits merger transactions, provided that each party to the transaction obtains the approval of its board of directors and shareholders (excluding certain merger transactions which do not require the approval of the shareholders, as set forth in the Companies Law). For the purposes of the shareholder vote of each party, the merger will not be deemed approved if a majority of the shares not held by the other party, or by any person who holds 25 per cent. or more of the shares or the right to appoint 25 per cent. or more of the directors of the other party, has voted against the merger (Shares in one of the merging companies held by the other merging company or certain of its affiliates are disenfranchised for purposes of voting on the merger). The Companies Law requires the parties to a proposed merger to file a merger proposal with the Israeli Registrar of Companies, specifying certain terms of the transaction. A merging company must inform its creditors of the proposed merger. Any creditor of a party to the merger may seek a court order blocking the merger and a court will only grant such an order if there is a reasonable concern that the surviving company will not be able to satisfy all of the obligations of the parties to the merger. Moreover, a merger may not be completed until at least 50 days have passed from the time that the merger proposal was filed with the Israeli Registrar of Companies and at least 30 days have passed from the approval of the shareholders of each of the merging companies. In addition, the provisions of the Companies Law that deal with "arrangements" between a company and its shareholders may be used to effect squeeze-out transactions in which the target company becomes a wholly-owned subsidiary of the acquirer. These provisions generally require that the merger be approved by a majority of the participating shareholders holding at least 75 per cent. of the shares voted on the matter, as well as 75 per cent. of each class of creditors. In addition to shareholder approval, court approval of the transaction is required.

### ***Special Tender Offer***

The Companies Law provides that an acquisition of shares of an Israeli public company must be made by means of a special tender offer if, as a result of the acquisition, the purchaser could become a holder of 25 per cent. or more of the voting rights in the Company. This rule does not apply if there is already another holder of at least 25 per cent. of the voting rights in the Company. Similarly, the Companies Law provides that an acquisition of shares in a public company must be made by means of a tender offer if, as a result of the acquisition, the purchaser could become an holder of more than 45 per cent. of the voting rights in the company, if there is no other shareholder of the company who holds more than 45 per cent. of the voting rights in the company.

A special tender offer must be presented to all of the company's shareholders.

A special tender offer may be consummated only if at least 5 per cent. of the voting power attached to the company's outstanding shares will be acquired. A special tender offer is accepted if a majority of the offerees has accepted the offer, excluding controlling shareholder, any shareholder who has personal interest in the offer or a controlling shareholder in the company or their affiliates (including corporation controlled by them). 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. Shares that are acquired in violation of this requirement to make a tender offer will be deemed Dormant Shares (as defined in the Companies Law) and will have no rights whatsoever for so long as they are held by the acquirer. The Board of Directors of the target company is required to submit its opinion to the offerees regarding the advisability of the special tender offer, or alternatively it may refrain from giving its opinion on the advisability of the special tender offer, if it is unable to do so, provided that in such circumstance it reports the reasons for its not doing so.

### ***Full Tender Offer***

Under the Companies Law, a person may not purchase shares of a public company such as the Company if, following the purchase, the purchaser would hold more than 90 per cent. of the company's shares or of any class of shares, unless the purchaser makes a full tender offer to purchase all of the target company's shares or all the shares of the particular class, as applicable. A full tender is deemed completed and approved if, following the full tender offer, either:

- (a) (i) The majority of the shareholders who do not have personal interest in the transaction agreed to sell their shares in the tender and (ii) those shareholders that did not agree to sell their shares under the tender, constitute in the aggregate less than 5 per cent. of the total issued and outstanding share capital of the Company; or
- (b) those shareholders that did not agree to sell their shares under the tender, constitute in the aggregate less than 2 per cent. of the total issued and outstanding share capital of the Company.

If either one of the conditions set out above is met, then the Companies Law provides for a mandatory squeeze out under which the purchaser automatically acquires ownership of all remaining shares. However, if the purchaser is unable to complete the purchase of the shares under the tender offer in accordance with the condition set above of, the purchaser may not own more than 90 per cent. Of the shares or class of shares of the target company.

Under Section 338 of the Companies Law, (a) a court may, on the application of the offeree in a full tender offer (submitted no later than three months after the date of the completion of the tender), rule that the consideration for the shares was less than their fair value, and that the fair value should be paid as determined by the court. The offeror may, however, provide in advance in the tender offer document that such remedy will be available only to the offerees who did not accept the offer.

## **29. ADMISSION, SETTLEMENT, CREST AND DEPOSITARY INTERESTS**

Application has been made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on 6 December 2021. Definitive share certificates in respect of

the New Shares and Sale Shares (for those Shareholders who elect to take their New Shares and/or Sale Shares in certificated form) will be despatched on or before 20 December 2021.

The Company's New Articles permit the holding of Ordinary Shares in uncertificated form in accordance with the CREST Regulations. The system allows shares and other securities to be held in electronic form rather than paper form, although a shareholder can continue dealing based on share certificates and notarial deeds of transfer. For private investors who do not trade frequently, this latter course is likely to be more cost-effective.

The Company, through the Depositary, has established a depositary facility whereby Depositary Interests, representing Ordinary Shares on a one for one basis, will be issued to Shareholders who wish to hold their Ordinary Shares in electronic form in CREST. It is expected that, where placees have asked to hold their Ordinary Shares in uncertificated form, they will have their CREST accounts credited with Depositary Interests on the day of Admission. The Company will apply for the Depositary Interests to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in Ordinary Shares following Admission may take place within the CREST system, if the relevant Shareholders so wish. Depositary Interests will have the same international security identification number (ISIN) as the underlying Ordinary Shares and will not require a separate application for admission to trading on AIM. CREST is a voluntary system and holders of Ordinary Shares who wish to deal on AIM and receive and retain share certificates will be able to do so. The Depositary Interests will be issued pursuant to the terms of the Deed Poll, further details of which are set out in paragraph 16.7 of Part IV of this document.

For more information concerning CREST, Shareholders should contact their brokers or Euroclear at 33 Cannon Street, London EC4M 5SB.

Trading in Ordinary Shares or Depositary Interests (as the case may be) on AIM will require Shareholders to deal through a stockbroker or other intermediary who is a member of the London Stock Exchange. Shareholders resident outside the UK should ensure that their stockbroker is either a member of the London Stock Exchange or has in place arrangements allowing them to effect trades on AIM.

It should be noted that if at any time a CREST member requires any further information regarding the depositary arrangement and the holding of Ordinary Shares in the form of Depositary Interests or wishes to withdraw its Depositary Interests from the CREST system and hold shares in certificated form, they should contact Computershare Investor Services PLC, at The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ for such further information.

The Company's share register, which will be kept by the Company's registrar, will show the Depositary or its nominated custodian as the holder of the Ordinary Shares represented by Depositary Interests but the beneficial interest will remain with the Shareholders who will continue to receive all the rights attaching to the Ordinary Shares as they would have if they had themselves been entered on the Company's share register. Shareholders can withdraw their Ordinary Shares back into certificated form at any time using standard CREST messages.

The ISIN number of the Ordinary Shares is IL0011809428. The TIDM is WNWD. The SEDOL is BNTVZP4.

### **30. FURTHER INFORMATION**

You should read the whole of this document, which provides additional information on Windward and the Placing, and not just rely on the information contained in this Part I. In particular, your attention is drawn to the "Risk Factors" in Part II of this document.

## Part II

### RISK FACTORS

An investment in the Ordinary Shares may be subject to a number of risks. Accordingly, prospective investors should consider carefully all of the information set out in this document and the risks attaching to such an investment, including in particular the risks described below, before making any investment decision in relation to any Ordinary Shares.

The information below does not purport to be an exhaustive list of relevant risks, since Windward's performance might be affected by other factors including, in particular, changes in market and/or economic conditions or in legal, regulatory or tax requirements. Prospective investors should consider carefully whether an investment in Ordinary Shares is suitable for them in the light of information in this document and their individual circumstances. An investment in Ordinary Shares should only be made by those with the necessary expertise to evaluate fully that investment.

This document contains forward-looking statements, which have been made after due and careful enquiry and are based on the Directors' current expectations and assumption and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. These forward-looking statements are subject to, *inter alia*, the "Risk Factors" described in this Part II. The Directors believe that the expectations reflected in these statements are reasonable, but they may be affected by a number of variables which could cause actual results or trends to differ materially. Each forward-looking statement speaks only as of the date of the particular statement. Factors that might cause a difference include, but are not limited to, those discussed in this Part II. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. The Company disclaims any obligation to update any such forward-looking statements in the document to reflect future events or developments.

Prospective investors are advised to consult an independent adviser authorised under FSMA. If you are in the United Kingdom, or from another appropriate independent adviser if you are in a territory outside the United Kingdom. If any of the following risks relating to Windward were to materialise, Windward's business, financial condition and results of future operations could be materially and adversely affected. In such cases, the market price of the Ordinary Shares could decline and an investor may lose part or all of his, her or its investment. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon Windward. In addition to the usual risks associated with an investment in a company, the Directors consider the following risk factors to be significant to potential investors.

#### RISKS RELATING TO WINDWARD AND THE INDUSTRY IN WHICH IT OPERATES

##### Dependence on key customers

Windward's business is dependent on certain key customers. Windward's largest customer is a U.S. Federal Agency that, as at 30 September 2021, accounts for approximately 13.6 per cent. of the Company's ACV and is engaged in a multi-year contract. No other customer accounts for more than 10 per cent. of Windward's ACV. The next five largest customers, however, together account for 30.9 per cent. of the Company's ACV. The relationship of the Group with its key customers could be materially adversely affected by a number of factors, including a decision by a key customer to diversify or change how, or from whom, they source the services currently provided by Windward, an inability to agree on mutually acceptable pricing terms with any one of its key customers following the completion of its existing contract or a significant dispute with or between Windward and one of its key customers. If the Group's commercial relationship with any of its key customers terminates for any reason, or if one of its key customers significantly reduces its business with Windward and Windward is unable to enter into similar relationships with other customers on a timely basis, or at all, it may have a material adverse effect on Windward's business, prospects, results of operation and financial condition.

### **Managing Windward's growth is critical given its limited resources**

Windward is expanding its operations worldwide, scaling its technical capabilities and products with the intention of effectively and reliably handling anticipated growth in the demand for its services. As international expansion evolves, managing and adjusting its business to address varied consumer expectations, customs and practices, as well as differing legal and regulatory environments, will be important to Windward's success. As part of scaling its activities, Windward will continue to develop its technology as well as utilise technology platform partners and data providers. If Windward is not able to manage the growing complexity of its business, including improving, refining or revising its systems and operational practices related to its operations and proprietary technology, the business may be adversely affected.

Windward's growth strategy is partly reliant on expanding the number of users with existing customers, upselling or cross-selling Windward's technology solution to its customers, renewing existing customer contracts and signing new customer contracts. In addition, customer wins for its new product launches in 2022, in particular its environmental solution and ocean freight visibility solution, are important parts of the Company's growth strategy. There is a risk that the level of new customer wins, renewal of existing contracts or that the new product launches for 2022 are delayed or that the level of customer wins from these new solutions are lower than management expectations, which may have a material adverse effect on Windward's business, prospects, results of operation and financial condition.

### **Dependence on regulatory environment**

Windward operates in an industry, where some of the key drivers are compliance and regulation, including in the areas of security, safety and environment. Imposition of sanctions by governmental authorities, as well as existing and upcoming environmental regulation enhance the need for screening, behavioural analysis and insights on risk profile of vessels, which are provided by Windward's platform. Changes in the regulatory environment may, therefore, affect the demand for Windward's services or change the demand in a way to which Windward may fail to adapt in time. Any such occurrence may adversely affect Windward's business.

In addition, any change in the law and regulation affecting Windward may have a material adverse effect on the ability of Windward to carry on its business. In particular, regulatory change could lead to increased compliance costs, the prohibition of certain types of trading, restrictions on the types of products and services which Windward may provide in the future or on the way in which such products and services are marketed and changes to the eligible customers of Windward. Further, the interpretation of existing legislation or regulation may change or may prove different than anticipated when applied to Windward's business products and services. Compliance with such requirements could involve additional costs for Windward and failure to comply could result in civil or criminal violations of laws and regulations in respect of appropriate regulatory permissions, permitted conduct, or in other areas of the business, which could have a material adverse impact on Windward and result in reputational or financial damage, and which could adversely affect or constrain Windward's ability to provide its services in the geographies in which it operates.

### **Failure to renew customer agreements**

Windward's contracts with its customers are of varying duration, and in particular its commercial customers typical contract length is 12 months. In addition, Windward has won 32 new customers in the first nine months of 2021. At any given time, there can be a number of contracts due for renewal in the ordinary course of business.

Whilst Windward has to date had limited customer losses, given the growth in the business and the customer wins in the first nine months of 2021, there is a risk that Windward's customers may not renew their contracts, or may reduce the scope of their contracts for Windward's products. Renewal rates may decline or fluctuate as a result of a number of factors, including customers' level of satisfaction with Windward's products and customer service and their ability to continue their operations and spending levels. If the Group experiences a decline in the renewal rates for customers or they opt for fewer components of the Group's offerings, the Group's revenue and operating results may be adversely impacted.

### **Significance of key account relationships**

The Group's business has certain key customers who may seek lower prices or may reduce their demand for a product or services of the Group. The relationship of the Group with its key customers could be materially adversely affected by a number of factors, including a decision by a key customer to diversify or change how, or from whom, they source a product or services currently provided by the Group, an inability to agree on mutually acceptable pricing terms with any one of its key customers or a significant dispute with or between the Group and one of its key customers. If the Group's commercial relationship with any of its key customers terminates for any reason, or if one of its key customers significantly reduces its business with the Group and the Group is unable to enter into similar relationships with other customers on a timely basis, or at all, the Group's business, its results of operations and/or its financial condition could be materially adversely affected.

### **The Group's products may not perform as expected and the Group could be at risk of defects which could adversely affect its customers**

There is no guarantee that the Group's products will perform as intended. Costs spent on developing the products may therefore not be recouped and this may result in reduced profitability for the Group. As the Group's products are complex, they may contain defects or vulnerabilities which may not be detected until after its deployment to end customers. These could result in the Group's customers being vulnerable to, among other things, security attacks or adverse performance. The Group moreover may not always be able to identify the cause of performance problems in its products. The Group's business would be harmed if any of the events described above caused its customers or potential customers to believe the Group's products are not reliable or secure.

### **The Group's artificial intelligence algorithms may not operate properly or as expected which could detrimentally impact its platform's effectiveness.**

Artificial intelligence algorithms may not operate properly as expected which could negatively impact the Group's ability to provide its solutions on an ongoing basis. AI is the core of Windward's Predictive Intelligence Platform. As with many developing technologies, AI presents risks and challenges that could affect its algorithms' further development, adoption and use in the Group's business. AI is a novel technology, its acceptance is subject to change and there may be future backlash against AI technology or certain AI use cases. AI algorithms may be flawed. Datasets may be insufficient, of lesser quality than expected, or contain biased information. If the recommendations, forecasts, responses or analyses that AI applications produce are deficient or inaccurate, the Group could be subject to competitive harm, potential legal liability, and brand or reputational harm. Though the Group's technologies and business practices are designed to mitigate many of these risks, if Windward enables or offers AI solutions that fail to operate as expected it could have a material detrimental impact on business operations.

The Group's artificial intelligence algorithms may be undermined by other AI technologies deployed by bad actors or otherwise. Although the Group's technologies and business practices are designed to mitigate many of the risks posed by other AI technology, it is possible that competitors' AI is developed that can outperform the Group's algorithms.

### **Sales and marketing**

Windward intends to continue investing in marketing and distribution channels and its own sales functions to grow its business. The success of Windward's business will require the continuation of existing, and establishment of additional, sales channels. Penetration of new markets may be slow, expensive and subject to delays, and ultimately may not be successful. Significant delays in new contracts may result in working capital strain for Windward. Windward is likely to incur costs in these areas before anticipated benefits materialise. The return on these investments may be lower or develop more slowly than expected. There can be no guarantee that Windward will be able to maintain, or increase its sales and market share at all.

There is no certainty that Windward will succeed in gaining market acceptance for its current and new services as anticipated in its business plan. For example, Windward is in the early stages of commercialising its environmental and ocean freight visibility solutions and there is no certainty that these solutions will be widely adopted by customers.

### **Technological changes, product development risk and evolving industry standards**

Windward's core business operates in a rapidly changing, high growth and competitive international industry. The future success of Windward will depend on its ability to continuously upgrade Windward's products and services offering and develop new solutions that address evolving technologies and standards across the relevant sectors. Windward may be unsuccessful in upgrading its existing platform or identifying new solutions in a timely or cost-effective manner, or it may be limited in its ability to develop or market new or upgraded solutions due to patents held by others. In addition, any new product innovations may not achieve the market penetration or price levels necessary for profitability. If Windward is unable to develop timely enhancements to, and new features for, its existing product and service offering, or if it is unable to develop new solutions that align with customer demands as priorities shift and keep pace with rapid technological developments or changing industry standards, the solutions Windward delivers may become obsolete, less marketable and less competitive, and Windward's business, financial condition and operational results may be adversely affected.

Developing Windward's technology and product range involves significant development and business risks. Windward may develop, use or procure new technologies ineffectively or fail to adapt to meet customer or regulatory requirements. If Windward faces material delays in introducing new products, services or enhancements, it may be at a significant competitive disadvantage. This could have a material adverse effect on Windward's business and prospects. Windward may have insufficient resource to execute on planned product developments. New products or product enhancements may be developed poorly leading to faults and therefore loss of customers, revenue and reputation.

### **Competition**

The market for predictive technology, data analytics and insights is competitive and evolving rapidly. As this market evolves, competition may intensify as existing companies expand their businesses and new companies enter the market, which could lead to commoditisation and harm Windward's ability to increase revenue and achieve or maintain profitability. If existing or new companies develop, market or offer competitive products, acquire one of Windward's competitors or form a strategic alliance with one of Windward's competitors or industry partners, Windward's ability to attract new customers or retain existing customers could be adversely impacted and Windward's financial performance could be harmed. Windward's current and potential competitors may have more financial, technical, marketing and other resources, as well as longer operating histories and greater name recognition than Windward. As a result, competitors may be better able to respond quickly to new technologies or devote greater resources to the development, promotion, sale and support of their products and services. The competitive environment could result in price reductions that could result in lower profits and loss of market share. If Windward is unable to compete successfully against current and future competitors, it may not be able to retain and acquire customers and the business, financial condition and results of operations could be materially adversely affected.

### **Possible or perceived product failure**

Windward's products and services are complex and as such may in the future contain defects or errors that are not detected until after their commercial release and deployment to customers. In particular, Windward's solutions may render inaccurate output, which may affect customers or third parties. Although Windward does not warrant accuracy of information generated by its solutions, affected customers or third parties may bring claims against Windward. Any such claims, whether or not successful, and whether or not there is merit to any such claim, could be costly and may divert the efforts of management and personnel from normal business operations. Windward's business would be also be harmed if any of the events described above caused its customers to believe that Windward's products or services are unreliable, which could have a material adverse effect on the market's perception of the efficacy of Windward's products.

### **Ability to maintain sufficient levels of high-quality customer support**

Windward's customers rely on Windward's customer support teams to resolve technical and operational issues if and when they arise. Windward may be unable to respond quickly enough to accommodate short-term increases in customer demand for customer support. Windward may also be unable to modify the nature, scope, and delivery of its customer support to compete with

changes in customer support services provided by competitors or to adapt to product and industry developments. Increased customer demand for customer support, without corresponding revenue, could increase costs and harm Windward's results of operations. In addition, as Windward continues to grow its operations, it needs to be able to provide efficient customer support to meet customers' needs globally and at scale. High quality customer support is important for the renewal and expansion of Windward's agreements with existing customers and any failure to maintain such standards of customer support, or a market perception that Windward does not maintain high quality customer support, could harm Windward's reputation, its ability to sell to existing and prospective customers, its business, results of operations, and financial condition.

### **Key system failure, disruption or interruption**

Windward's success depends on the efficient and uninterrupted operation of its technology platform. A failure of computer systems, or those of Windward's partners, could inhibit Windward's ability to provide services, interfere with data analytics, prevent the timely delivery of Windward's solutions or damage its reputation. In the future, Windward may need to expand its systems at a significant cost and at a more rapid pace than it has to date. Windward may be unable to provide solutions on a timely basis or experience performance issues with its technology platform if it fails to adequately expand or maintain its system capabilities to meet future requirements. Any disruption in Windward's ability to operate its technology platform will prevent it from providing the solutions requested by its customers and partners, which may damage Windward's reputation and result in the loss of customers or partners and the imposition of penalties or other legal or regulatory action, and the business, financial condition and results of operations could be materially adversely affected.

Windward is dependent on the operation of third party data centres, which are vulnerable to damage or interruption from earthquakes, terrorist attacks, war, floods, fires, power loss, telecommunications failures, computer viruses, computer denial of service attacks or other attempts to harm our system and similar events. Some of Windward's systems are not fully redundant, and disaster recovery planning cannot account for all eventualities. The occurrence of any issues or failures at these data centres could result in interruptions in the delivery of Windward's solutions to its customers.

### **Cyber security risk**

Windward and its partners rely on an industry standard encryption and authentication technology to provide the security necessary to effect the secure transmission of information from Windward to its customers and partners. However, Windward cannot guarantee absolute protection against unauthorised attempts by third parties or its current or former employees to access its IT systems, including malicious third party applications that may interfere with or exploit security flaws in its products and services. Outside parties may attempt in the future to fraudulently induce Windward's employees, customers or partners to disclose sensitive information via illegal electronic spamming, phishing or other tactics. Any breach of Windward's security measures or the accidental loss, inadvertent disclosure or unauthorised dissemination of proprietary information or sensitive, personal or confidential data about Windward, its employees or customers or integration partners, including the potential loss or disclosure of such information or data as a result of hacking, fraud, trickery or other forms of deception, could expose Windward, its employees, customers and/or integration partners to risks of loss or misuse of this information. Any such breach, loss, disclosure or dissemination may also result in potential liability or fines, governmental inquiry or oversight, litigation or a loss of customer confidence, any of which could harm the business and damage Windward's reputation, possibly impeding its ability to retain and attract new customers, and cause a material adverse effect on Windward's operations and financial condition.

### **Economic conditions and COVID-19**

The COVID-19 pandemic has resulted in market disruptions and a global economic slowdown, which has materially impacted demand for a broad variety of goods and services, and is also disrupting sales channels and marketing activities. The conditions caused by the COVID-19 pandemic, the outcome of which remains uncertain, may affect how Windward's customers conduct their businesses and adversely affect the willingness of Windward's customers to utilise its solutions and delay prospective customers' purchasing decisions. The volume of maritime traffic may decrease and/or Windward's customers may decrease their overall screening and vetting budgets as a response to the economic uncertainty, a decline in their business activity, and other COVID-related

impacts on their business or industry. In addition, governments may reduce their budgets available to spend on Windward's solutions. As 80 per cent. of Windward's current ACV is generated from sales to government agencies, such a reduction in governments' budgets may have a material adverse effect on Windward's results and financial condition.

**Negative publicity could adversely affect Windward's brand, business, results of operations, financial condition or prospects**

The strength of Windward's brand and reputation, as well as the status of the maritime industry generally, may impact Windward's competitive position. Negative publicity or negative reviews by customers or members of the public regarding utilisation of digital technology in the maritime industry or Windward could adversely affect Windward's reputation, which could reduce the attractiveness of Windward's platform to investors, potential customers or both and consequently have a negative effect on Windward's performance. Even if inaccurate, negative publicity could arise in relation to the utilisation of digital technology in the maritime industry generally (whether due to regulatory intervention, heightened scrutiny, or otherwise); the quality and reliability of Windward's platform; its pricing practices; changes to its platform; the experience of customers with its platform or services; Windward's ability to effectively manage and resolve customer complaints; privacy and security practices; litigation, regulatory activity and the quality and reputation of its customers, investors, referral partners, brokers and corporate partners providing ancillary services and consequently have a negative effect on Windward's performance. Windward's reputation could also be damaged as a result of employee misconduct or error, or misconduct or error by Windward's partners, outsourced service providers or other counterparties.

**Protection of intellectual property and trademarks**

Windward will endeavour to enter into agreements with its employees and contractors and with parties with whom it does business in order to protect its intellectual property and limit access to and disclosure of its proprietary information. Windward cannot be certain that the steps it has taken will protect its technology or intellectual property or prevent unauthorised use or the reverse engineering of its technology.

A failure to protect Windward's intellectual property rights could have a material adverse effect on Windward's business, financial condition and operational results. Similarly, an infringement by Windward of any existing intellectual property rights or trademarks or the inability to secure trademark protection could also lead to litigation and/or materially adversely affect Windward's business, financial condition and operational results.

**Windward's success is dependent upon its ability to recruit and retain key personnel**

There can be no assurance that Windward will retain the services of its Founders, Directors, key executives, advisers or personnel who have entered, or will subject to Admission enter, into service agreements or letters of appointment with Windward. The loss of the services of any of the Founders, Directors, key executives, advisers or personnel may have a material adverse effect on the business, operations, relationships and/or prospects of Windward. In particular, given the importance of the direction, knowledge and leadership of the Founders, Directors and senior managers of Windward, the future success of Windward is, to an extent, dependent upon the continued service of these individuals. Windward currently has no key-man insurance policy in place and, therefore, there is a risk that the unexpected departure or loss of these individuals could have a material adverse effect on the business, financial condition and results of operations of Windward, and there can be no assurance that Windward will be able to attract or retain a suitable replacement.

The Group places substantial reliance upon key senior management personnel who have extensive experience and knowledge of the Group, its clients, its target markets and its business generally. The successful implementation of the Group's strategy depends on the continuing availability of senior management and the Group's ability to continue to attract, motivate and retain other highly qualified employees. If members of the Group's senior management depart and adequate succession plans are not put in place, the Group may not be able to find effective replacements in a timely manner, or at all and the Group's business may be disrupted or damaged. In addition, the loss of key members of senior management to competitors could have a material adverse effect on the Group's competitive position.

In addition, Windward operates in a highly competitive recruitment environment. There is, therefore, no assurance that Windward will continue to be able to recruit the talent required to grow its business. Further, most of the employment agreements for Windward's senior management team provide for notice periods of 60 to 90 days and Israel based employees' agreements provide for a notice period of 30 days. Windward is, therefore, exposed to a risk of losing a substantial number of its employees, including members of senior management, at short notice.

### **Data privacy compliance or failure to protect confidential information**

Windward is subject to a number of laws relating to privacy and data protection, including GDPR, UK GDPR, the United Kingdom Data Protection Act 2018, the Israeli Protection of Privacy Law 1981 and certain other relevant international data protection and privacy laws. Such laws govern the Company's ability to collect, use and transfer personal data including relating to actual and potential customers, employees or beneficial owners of vessels subject to screening and others. Therefore, the Company is exposed to the risk that such data could be wrongfully appropriated, lost or disclosed, damaged or processed in breach of privacy or data protection laws. Laws and regulations relating to the use and retention of personal data in other countries are also complex and undergoing significant change which may impact on the Company's products and services in a negative manner.

While Windward strives to comply with all applicable laws and regulations relating to privacy and data protection, it is possible that such requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another or may conflict with other rules or Windward's practices. Any perceived or actual failure by Windward to protect confidential data or any material non-compliance with privacy or data protection laws may harm its reputation and credibility, adversely affect revenue, result in litigation or other actions being brought against Windward, including the infringement of privacy rights and/or investigative or enforcement action (including criminal proceedings and significant pecuniary penalties) by the Information Commissioner's Office in the UK, by the Israeli Privacy Protection Authority or similar regulatory authorities in other jurisdictions in which Windward operates and the imposition of significant fines and, as a result, could have a material adverse effect on Windward's business, results of operations, financial condition or prospects.

Further continued compliance with GDPR, UK GDPR and other data protections laws and regulations (currently in force or any new laws) may have a significant compliance cost, and Windward may need to commit significant employee and other resources to ensure compliance with new laws and regulations relating to privacy and data protection and adopt new business practices in a manner which could reduce its revenue or compromise its ability to effectively pursue its growth strategy, which could have a material adverse effect on its business, results of operations and financial condition. In particular, if applicable laws or regulations relating to privacy and data protection change in the future, Windward may be required to incur significant costs and commit significant employee and other resources to ensure compliance with such new laws or regulations.

### **Financial controls and internal reporting procedures**

Windward has financial reporting systems and controls in place to allow it to produce accurate and timely financial statements and to monitor and manage risks, including the risk of fraud (committed by employees, customers, suppliers etc.). If any of these systems or controls were to fail, Windward may be unable to produce financial statements accurately or on a timely basis and/or it may expose Windward to risk and could adversely affect the Company's share price.

Windward has updated its financial reporting procedures prior to the date of this document. Although Windward has confidence in such procedures, there can be no certainty that such procedures will not fail, as implementation of such procedures has not been tested by Windward over a long period of time.

### **Counterparty credit risk**

There is a risk that parties with whom Windward trades or has other business relationships (including partners, customers, suppliers, subcontractors and other parties) may become insolvent. This may be as a result of general economic conditions or factors specific to that company. In the event that a party with whom Windward trades becomes insolvent, this could have an adverse impact on the revenues and profitability of Windward.

## **Legal risk**

Legal risks include the inability to enforce contracts, an absence of adequate protection for intellectual property rights, an inability to enforce foreign judgments relating to contracts entered into by Windward that are governed by laws outside of the State of Israel, absence of a choice of law, and an inability to refer disputes to arbitration or to have a choice with regard to arbitration rules, venue and language. Mitigation measures for these risks may be limited, and therefore such risks may, if they arise, have a negative impact on Windward's performance.

Further, Windward's contracts are governed by laws of, and are subject to jurisdiction in, a number of foreign states. It may be difficult and costly to enforce such contracts in a number of different jurisdictions, if Windward is required to do so in the future.

## **Adequacy of insurance coverage**

There can be no guarantee that Windward has insurance cover that is adequate to meet Windward's risks and expenses or sufficient to recover all losses that Windward may suffer, including to reflect the value of Windward's intellectual property. In addition, certain types of risk may be, or may become, either uninsurable or not economically insurable or may not be currently or in the future covered by Windward's insurance policies. In addition, even if a loss is incurred, Windward may be required to pay a significant excess on any claim for recovery of such loss before the insurer is obligated to reimburse Windward for the loss, or the amount of the loss may exceed Windward's coverage for the loss. Any of the foregoing could have a material adverse impact on Windward's business, results of operation and financial condition.

## **Litigation risk**

Windward is exposed to the risk of litigation from its customers, suppliers, employees, authorities and third parties impacted by Windward's activities, products or services, amongst others. Any legal proceedings, whether or not determined in the Company's favour, and whether or not there is merit to any such claim, could be costly and may divert the efforts of management and personnel from normal business operations. This could be exacerbated by the global nature of Windward's operations, in particular where litigation is conducted, or requires enforcement, in foreign jurisdictions. Exposure to litigation may affect the Company's reputation even where the monetary consequences may not be significant.

## **Access to data resources and pricing**

Windward's success and growth depend on Windward's continuing ability to source data from data providers, including cooperation with industry partners in respect of procurement of relevant data. Whilst Windward endeavours to ensure data redundancy, full redundancy cannot be guaranteed. If Windward's ability to source data is impaired, reduced or burdened in the future, whether due to general market conditions, lack of cooperation from data providers, increase in the pricing of data, imposition of new restrictions on data sharing or due to other factors, Windward's ability to deliver its services at the desired level of efficiency and accuracy may be impaired and Windward's results of operations, financial condition or prospects may be adversely affected.

## **Exposure to government clients**

As at 30 September 2021, 80 per cent. of Windward's ACV was generated from customers that are government agencies. As such, Windward is exposed to changes in government agencies' budgets, whether by way of reduction of a budget, change in the allocation of resources or change in customers' priorities, changes in government agencies' policies and/or any new restrictions that may be imposed in the future on government agencies' procurement or business dealings between agencies in the relevant jurisdictions and Israeli entities. In addition, government agency customers often have a strong negotiation position and, among other things, may be able to terminate agreements with Windward on a short notice or renegotiate them. Any of the above factors can have a material adverse impact on Windward's sales and consequently can materially adversely affect Windward's results of operations, financial condition or prospects.

## **RISKS RELATING TO THE COMPANY'S DOMICILE IN ISRAEL**

### **Security, political and economic instability in the Middle East and Israel in particular may harm the Company's business**

The principal place of business of the Company is located in Israel and many of the Company's employees, including certain management members, operate from the Company's offices located in Tel Aviv, Israel. In addition, a number of the Company's directors are residents of Israel. Accordingly, political, economic and military conditions in Israel and the surrounding region may directly affect the Company's business and operations. In recent years, Israel has been engaged in sporadic armed conflicts with Hamas, an Islamist terrorist group that controls the Gaza Strip, with Hezbollah, an Islamist terrorist group that controls large portions of southern Lebanon, and with Iranian-backed military forces in Syria. In addition, Iran has threatened to attack Israel and may be developing nuclear weapons. Some of these hostilities were accompanied by missiles being fired from the Gaza Strip against civilian targets in various parts of Israel, including areas in which the Company's employees and some of its consultants are located, and negatively affected business conditions in Israel. Any hostilities involving Israel or the interruption or curtailment of trade between Israel and its trading partners could adversely affect the Company's operations and results of operations.

The Company's commercial insurance does not cover losses that may occur as a result of events associated with war and terrorism. Although the Israeli government currently covers the reinstatement value of direct damages that are caused by terrorist attacks or acts of war, the Company cannot assure that this government coverage will be maintained or that it will sufficiently cover the Company's potential damages. Any losses or damages incurred by the Company could have a material adverse effect on its business. Any armed conflicts or political instability in the region would likely negatively affect business conditions and could harm the Company's results of operations.

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 the Company's operating results, financial condition or the expansion of our business. A campaign of boycotts, divestment and sanctions has been undertaken against Israel, which could also adversely impact the Company's business.

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

**The Company has received Israeli government grants and loans for certain research and development expenditures. The terms of these grants and loans may require the Company to satisfy specified conditions in order to transfer or licence technologies outside of Israel. The Company may be required to pay penalties in addition to repayment of the grants and loans.**

The Company's research and development efforts were previously financed, in part, through grants it received from the IIA (formerly, the Office of the Chief Scientist of Israel's Ministry of Economy and Industry). The Company is required to comply with the requirements of the Israeli Law for the Encouragement of Industrial Research, Development and Technological Innovation, 1984 ("**R&D Law**"), and related regulations, as amended, as well as with the directives and tracks published by the IIA, with respect to these projects. As at 31 December 2020, the Company received approximately US\$1.3 million in funding from the IIA and paid the IIA approximately US\$1.4 million in royalties under its approved programmes. As of 31 December 2020, the Company has no contingent obligation to the IIA for royalty payments.

The R&D Law may be amended. Additionally, the IIA publishes updates to the tracks and directives, which establish the rules and restrictions regarding the use by grant recipients of technology developed using the IIA grants. Changes to the R&D Law, the tracks or the directives could

adversely impact how the Company can use, license or transfer know-how or technologies developed under the programs submitted to the IIA and derivatives thereof.

Under the R&D Law and the tracks and directives published by the IIA, the Company is prohibited from transferring or licensing its IIA-financed technologies, technologies derived from them and related intellectual property rights and know-how outside of the State of Israel except under limited circumstances and only with the approval of the IIA and generally upon making a payment to the IIA. If the Company or future acquirer of the Company would seek to do this, there is no assurance that the Company will be able to obtain such consent on terms acceptable to the Company (or acquirer), or at all. The required approvals may not be received for any proposed transfer and, if received, the Company could be required to pay the IIA an amount calculated in accordance with the applicable formula set out in the tracks published by the IIA up to an amount capped at six times the grant amount (linked to the US dollar), plus annual interest at LIBOR, less royalties repaid. Although such restrictions do not apply to the export from Israel and/or grant of ordinary course business licences of the Company's products developed with such know-how, without receipt of the aforementioned consent, such restrictions may prevent or limit the Company from engaging in transactions with its affiliates, customers or other third parties outside the State of Israel, involving transfer or licensing of know-how or assets that might otherwise be beneficial to the Company.

Approval of the transfer or license of technology to residents of the State of Israel is required and could be granted in specific circumstances, but only if the recipient agrees to abide by the provisions of applicable laws, including the restrictions on the transfer of know-how and the obligation to pay royalties.

#### **Acquisition of 5 per cent. or more in the Company and required notifications and disclosure**

If an acquirer or investor is a non-Israeli entity and will receive 5 per cent. or more of the Company's issued and outstanding share capital as may be the case in the proposed Placing, such foreign acquirer or investor must execute and submit to the IIA a standard form of undertaking to comply with the restrictions of the Innovation Law. Additionally, under the IIA rules, the IIA needs to be notified of the proposed Admission and the IIA grants and attendant restrictions need to be disclosed in the applicable prospectus, as is the case in this Admission Document.

The State of Israel does not own intellectual property rights in technology developed with IIA funding and there is no restriction on the export and/or grant of ordinary course business licences of products manufactured using technology and know-how developed with IIA funding. The technology and know-how are, however, subject to transfer of technology restrictions as described above.

#### **Export rules**

As a Company operating primarily in Israel, the Company is exposed to export licencing regime of the Israeli Ministry of Defence. There are currently no export restrictions in place in respect of the Company's products or services. If, however any such restrictions are imposed in the future, this may burden the Company's ability to market and deliver its products and services and may impose significant costs of compliance with the relevant restrictions.

#### **The rights and responsibilities of the Shareholders are governed by Israeli law and differ in some respects from the rights and responsibilities of shareholders under UK law.**

The Company is incorporated under Israeli law. The rights and responsibilities of holders of Ordinary Shares will, therefore, be governed by the New Articles and by Israeli law. These rights and responsibilities differ in some respects from the rights and responsibilities of shareholders in typical companies incorporated in the United Kingdom.

In particular, a shareholder of an Israeli company has a duty to act in good faith toward the company and other shareholders and to refrain from abusing his power in the company, including, among other things, voting at a general meeting of shareholders on certain matters. Israeli law provides that these duties are applicable in shareholder votes on, among other things, amendments to a company's articles of association, increases in a company's authorised share capital, mergers and interested party transactions requiring shareholder approval. In addition, a person who holds or controls, by himself or together with others, one half or more of any one of the "Means of Control" of the company (a "Controlling Shareholder"), a shareholder who knows that it possesses the power

to determine the outcome of a shareholder vote, and a shareholder that possesses the power to appoint or prevent the appointment of a director or executive officer in the company, has a duty of fairness toward the company.

**“Means of Control”** is defined as: (i) the right to vote at a general meeting of Shareholders; or (ii) the right to appoint directors of the company or its chief executive officer.

The power of the Company to issue and allot shares is exercisable by the Board at such times and on such terms and conditions as the Board may determine, subject to the New Articles and the limit on the Company’s authorised share capital, which may be amended by a resolution of the Shareholders. Shareholders do not have pre-emption rights under Israeli law over further issues of shares of the Company, except to the extent that such right is expressly included in the New Articles.

The New Articles contain pre-emption rights in favour of Shareholders in respect of the allotment or issue of securities which are, or are to be, paid up in cash, further details of which are set out in paragraph 8 of Part IV of this Document. Any share issue following Admission may have a dilutive effect on Shareholders, particularly if they are unable or choose not to subscribe by taking advantage of rights of pre-emption that may be available.

Further, the Securities Law requires Israeli public companies to have at least two External Directors who shall be appointed for a term of three years (which can be extended for two additional three-year terms) and can be removed from office (including by shareholder vote) only under very limited circumstances.

#### **The Company may be required to pay special compensation or royalties to Israeli employees who develop intellectual property**

Under Israeli patent law, if an employment agreement is not clear on the right of an employee to receive (or not receive) special compensation, in addition to his or her regular remuneration, for intellectual property developed by him or her during and in connection with his or her employment, then such employee can apply to a special tribunal, established under the Israeli Patents Law, to determine his or her rights.

Decisions by the Committee for Compensation and Royalty matters under the Israeli Patents Law and by the courts generally provide that a waiver by an employee of the right to receive such special compensation can be valid and enforceable. However, case law on this point is scarce and generally the decisions are not issued on the merits.

All the employees engaged in creation of the Company’s intellectual property have signed intellectual property assignment agreements, in which they assign their rights to any potential intellectual property created by them to their employer, acknowledge that they will not be entitled to any additional compensation for, or royalties from commercialisation of, such intellectual property and specifically waive the right under the Israeli Patents Law to receive compensation for their inventions. There is, however, no certainty that all parties who may have or have had access to confidential information have signed such assignment agreements, that the agreements entered into will not be breached or that such assignment will stand up to the scrutiny of Israeli courts. If Israeli courts rule that such waivers of the right to receive such special compensation are not enforceable, in whole or in part, or require very specific types of waivers, evidence of the level of negotiation of the employment contract or give the provisions of Israeli Patents Law other interpretations protecting the rights of employees under protective labour law principles, the Company may be required to pay additional compensation or royalties to its Israeli employees who have participated in the creation of intellectual property, which may adversely affect the Company’s business, results or operations and financial condition.

#### **It may be difficult to enforce foreign law judgements against the Company or its directors and officers**

The Company is incorporated under Israeli law and all of its executive Directors and the majority of its senior management team are based in Israel. Therefore, it may be difficult for an investor, or any other person or entity, to enforce a judgment obtained in any foreign jurisdiction against the Company and/or any of these persons, or to effect service of process upon these persons in the Israel or elsewhere. Furthermore, it may be difficult and costly to assert English securities law claims in original actions instituted in Israel. Israeli courts may refuse to hear a claim based on a

violation of English securities laws on the grounds that Israel is not the most appropriate forum in which to bring such a claim. Even if an Israeli court agrees to hear a claim, it may determine that Israeli law, and not English law is applicable to the claim.

If English law is found to be applicable, the content of applicable English law must be proved as a fact which can be a time consuming and costly process. Certain matters of procedure will also be governed by Israeli law. There is little binding case law in Israel addressing these matters above.

### **The Takeover Code does not apply**

The Company is incorporated in Israel and, as such, the Takeover Code does not apply. Certain provisions have been incorporated into the New Articles which aim to mirror the material provisions of Rule 9 of the Takeover Code ("Rule 9") to the extent that it is possible to do so. In particular, the New Articles provide that (except in certain limited circumstances):

- an acquisition of shares which increases the aggregate holding of the acquirer (and his concert parties) to shares carrying 30 per cent. or more of the voting rights of the Company; or
- an acquisition of Ordinary Shares by a person holding (together with his concert parties) Ordinary Shares carrying between 30 and 50 per cent. of the voting rights in the Company which increases the voting rights of that person (together with his concert parties), is prohibited unless the consent of a simple majority of shareholders who have no interest in that acquisition is obtained.

The main difference between these provisions and Rule 9 is that the Takeover Panel does not have any jurisdiction to enforce these provisions and the provisions of the New Articles only bind the Company and its shareholders. For further information on the New Articles, please see paragraph 8 of Part IV of this document.

The Company will also be subject to Israeli corporate law which regulates acquisitions of shares through tender offers and mergers, requires special approvals for transactions involving directors, officers or significant shareholders, and regulates other matters that may be relevant to these types of transactions. Where there is a conflict between the New Articles and the provisions of the Companies Law, the latter will prevail.

Further information is contained in paragraph 27 of Part I of this Document.

## **FINANCIAL RISKS**

### **Exchange rate risk**

The Company is exposed to several exchange rate risks. In particular, there is a currency mismatch between the Company's costs, which are primarily denominated in NIS and the Company's revenues, which are primarily denominated in US Dollars. Further, the Company is raising funds in Sterling pursuant to the Placing. Fluctuations in exchange rates between NIS and US Dollars or between NIS and Sterling may adversely affect the Company's profitability or the price competitiveness of its products.

### **Ability to generate profits in the future**

Since its inception, Windward has never made a profit and has been loss making. Whilst the Directors are confident in Windward's business model, there is no certainty that Windward will be able to achieve profitability in the future.

The Group's limited operating history and the fact that its operating expenses have increased over time, makes it difficult to evaluate the potential profitability of its business. As the Group continues to expand its business and the breadth of its operations, hires additional employees, expands into new markets, invests in research and development and sales and marketing, and incurs costs associated with general administration (including expenses related to being a listed company), it is possible that the Group's costs of sales and operating expenses will increase at a faster rate than its revenue, leading to further net losses.

The Group's future success depends on its ability to increase sales of its products and services to new and existing customers. The rate at which new and existing customers purchase products or renew subscriptions depends on a number of factors, including the efficacy of Windward's products

and services, as well as factors outside of Windward's control, such as customers' demand for the relevant products and services, the introduction of products and services by Windward's competitors that may be perceived to be superior to Windward's products or services and general economic conditions. A failure to increase sales to customers as result of any of the above could materially adversely affect Windward's financial condition, operating results and prospects.

#### **Potential requirement for further investment**

Although the Directors are of the opinion that the working capital available to Windward will be sufficient for at least 12 months from the date of Admission, Windward may require additional capital, whether from equity or debt sources, in the future. There can be no guarantee that the necessary funds will be available on a timely basis, on favourable terms, or at all, or that such funds if raised, would be sufficient. If additional funds are raised by issuing equity securities, significant dilution to the then existing shareholdings may result and any new equity securities could have rights, preferences and privileges superior to those of current Shareholders. Debt funding may require assets of Windward to be secured in favour of the lender, which security may be exercised if Windward were to be unable to comply with the terms of the relevant debt facility agreement. The level and timing of any future investment will depend on a number of factors, many of which are outside Windward's control. If Windward is not able to obtain additional capital on acceptable terms, or at all, it may be forced to curtail or abandon such planned expansion activity.

### **RISKS RELATING TO THE PLACING, ADMISSION AND THE ORDINARY SHARES**

#### **The costs of compliance with AIM corporate governance and accounting requirements are significant**

In becoming a publicly traded company, the Company will be subject to enhanced requirements in relation to disclosure controls and procedures and internal control over financial reporting. The Company may incur significant costs associated with its public company reporting requirements, including costs associated with applicable AIM corporate governance requirements. The Company expects to incur significant legal and financial compliance costs as a result of these rules and regulations and if Windward does not comply with all applicable legal and regulatory requirements, this may have a material adverse effect on Windward's business, financial condition, results of operations and prospects.

#### **Share price volatility and liquidity**

AIM is an exchange designed principally for growth companies, and as such, tends to experience lower levels of trading liquidity than larger companies quoted on the Official List or some other stock exchanges. Following Admission, there can be no assurance that an active or liquid trading market for the Ordinary Shares will develop or, if developed, that it will be maintained. The market price of the Ordinary Shares may therefore be subject to large fluctuations on small volumes of shares traded. As a result, an investment in shares traded on AIM carries a higher risk than those listed on the Official List of the London Stock Exchange. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company.

There can be no guarantee that the value of an investment in the Company will increase. Investors may therefore realise less than, or lose all of, their original investment. The share prices of publicly quoted companies can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares may be influenced by a large number of factors, some of which are general or market specific, others which are sector specific and others which are specific to Windward and its operations. These factors include, without limitation: (a) the performance of the overall stock market; (b) large purchases or sales of Ordinary Shares by other investors; (c) financial and operational results of Windward; (d) changes in analysts' recommendations and any failure by Windward to meet the expectations of the research analysts; (e) changes in legislation or regulations and changes in general economic, political or regulatory conditions; and (f) other factors which are outside of the control of Windward.

Shareholders may sell their Ordinary Shares in the future to realise their investment. Sales of substantial amounts of Ordinary Shares following Admission and/or termination of the lock-in restrictions (the terms of which are summarised in paragraphs 16 of Part I and paragraph 16.2 of Part IV of this document), or the perception that such sales could occur, could materially adversely

affect the market price of the Ordinary Shares available for sale compared to the demand to buy Ordinary Shares. There can be no guarantee that the price of the Ordinary Shares will reflect their actual or potential market value or the underlying value of the Company's net assets and the price of the Ordinary Shares may decline below the Placing Price. Shareholders may be unable to realise their Ordinary Shares at the quoted market price or at all.

### **Determination of Placing Price**

Placees will subscribe for the Ordinary Shares at the Placing Price, which is a fixed price, prior to satisfaction of all conditions for the Ordinary Shares to be issued. The Placing Price may not accurately reflect the trading value of the Ordinary Shares when issued, or the Company's potential earnings or any other recognised criteria of value.

### **Dilution of Shareholders' interest as a result of additional equity fundraisings and/or issue of equity to employees, management, directors or consultants**

The Company may need to issue, pursuant to a public offer or otherwise, additional Ordinary Shares in the future at a price or prices higher or lower than the Placing Price. An additional issue of Ordinary Shares by the Company, or the public perception that an issue may occur, could have an adverse effect on the market price of Ordinary Shares and could dilute the proportionate ownership interest and the proportionate voting interest of Shareholders if, and to the extent that, such an issue of Ordinary Shares is not effected on a pre-emptive basis or Shareholders do not take up their rights to subscribe for further Ordinary Shares under a pre-emptive offer. Shareholders may also experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to the Ordinary Shares.

The Company may also in the future issue Ordinary Shares, warrants, restricted stock units and/or options to subscribe for new Ordinary Shares, including (without limitation) to certain advisers, employees, directors, senior management and consultants. The exercise of such warrants, restricted stock units and/or options may also result in dilution of the shareholdings of other investors.

The Company has issued options to subscribe for new Ordinary Shares to some of its managers, employees and consultants and may in the future issue warrants and/or options to subscribe for new Ordinary Shares, including (without limitation) to certain advisers, employees, and directors. The exercise of such warrants and/or options may also result in dilution of the shareholdings of other investors.

### **Dividends**

The Company has never declared or paid dividends on the Ordinary Shares. There is currently no dividend payment policy. Any profits generated for the foreseeable future will be re-invested in growing the business through the development of new technology, products and/or scale of operations. Any future determination to declare cash dividends will be made at the discretion of the Board, and will depend on, among other things, the Company's results of operations and financial condition, its future business prospects, any applicable legal or contractual restrictions and availability of profits. A dividend may never be paid.

### **Taxation risk**

Shareholders should take their own tax advice as to the consequences of acquiring and owning Ordinary Shares as well as receiving dividends and other distributions from the Company. In particular, Shareholders should be aware that ownership of Ordinary Shares can be treated in different ways in different jurisdictions.

## **GENERAL RISKS**

### **Investment risk**

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that may result from the investment. A prospective investor should consider with care whether an investment in the Company is suitable for him or her in the light of his or her personal circumstances and the financial resources available to him or her. The investment opportunity offered in this document may not be suitable for all recipients of this document. Investors are therefore strongly recommended to

consult an investment adviser authorised under FSMA, or such other similar body in their jurisdiction, who specialises in advising on investments of this nature before making their decision to invest.

Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company will occur, or that the commercial objectives of the Company will be achieved. Investors may not get back the full amount initially invested.

The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to future performance.

Any economic downturn either globally or locally in any area in which Windward operates may have an adverse effect on demand for Windward's products. A more prolonged downturn may lead to an overall decline in sales. Economic uncertainty might have an adverse impact on Windward's operations and business results.

## Part III

### HISTORICAL FINANCIAL INFORMATION ON WINDWARD

#### SECTION A – Accountant’s report on the historical financial information on Windward

This Part III contains in Section 1 the accountants report from Kesselman & Kesselman on the Consolidated Historical Financial Information of the Company and in Section 2 the Consolidated Historical Financial Information for FY18, FY19 and FY20.

#### Section 1: Accountants Report on the Consolidated Historical Financial Information



The Directors  
Windward Ltd.  
2 Hashlosha st Tel- Aviv  
Yafo Israel

Canaccord Genuity Limited  
88 Wood Street  
London  
EC2V 7QR  
United Kingdom

30 November 2021

Dear Ladies and Gentlemen

#### **Windward Ltd. (the “Company” and, together with its subsidiaries, the “Group”)**

We report on the financial information of the Company for the years ended December 31, 2020, 2019 and 2018 set out in section B of Part III of the admission document dated 30 November 2021 (the “**Admission Document**” of the Company (the **Company Financial Information Table**”).

This report is required by Schedule Two of the AIM rules for Companies published by the London Stock Exchange plc (the “**AIM Rules**”) and is given for the purpose of complying with that schedule and for no other purpose.

#### **Opinion on financial information**

In our opinion, Company Financial Information Table gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Company as at the dates stated and of its losses, cash flows and statement of changes in equity for the years ended December 31, 2020, 2019 and 2018 in accordance with International Financial Reporting Standards(“**IFRS**”).

#### **Responsibilities**

The Directors of the Company are responsible for preparing the Company Financial Information Table in accordance with IFRS. It is our responsibility to form an opinion on the Company Financial Information Table and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under paragraph (a) of schedule Two of the AIM

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Telephone: +972 -4- 8605000, Fax: +972 -4- 8605001, www.pwc.com/il

Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with schedule Two AIM Rules for companies, consenting to its inclusion in the Admission Document.

### **Basis of Preparation**

The Company Financial Information Table has been prepared for inclusion in the Admission Document of the Company on the basis of the accounting policies set out in note 2 to the Company Financial Information Table.

### **Basis of opinion**

We conducted our work in accordance with generally accepted auditing standards in Israel, including standards prescribed by the Auditor's Regulations (Auditor's Mode of Performance), 1973.

Our work included an assessment of evidence relevant to the amounts and disclosures in the Company Financial Information Table. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

### **Declaration**

For the purposes of item paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the Admission Document and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

Kesselman & Kesselman  
Certified Public Accountants (Isr.)  
A member firm of PricewaterhouseCoopers International Limited

**SECTION B – Historical financial information on Windward**  
**Section 2: Consolidated Historical Financial Information**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

		<b>Year ended December 31</b>		
	<b>Note</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
		<b>U.S. dollars in thousands (except share and per share data)</b>		
REVENUES	15	14,625	12,078	8,574
COST OF REVENUES	16	3,037	2,629	2,848
<b>GROSS PROFIT</b>		<b>11,588</b>	<b>9,449</b>	<b>5,726</b>
<b>OPERATING EXPENSES:</b>				
Research and development, net	16	6,013	5,248	4,834
Sales and marketing	16	6,395	5,588	4,462
General and administration	16	3,034	2,573	3,256
<b>TOTAL OPERATING EXPENSES</b>		<b>15,442</b>	<b>13,409</b>	<b>12,552</b>
<b>OPERATING LOSS</b>		<b>(3,854)</b>	<b>(3,960)</b>	<b>(6,826)</b>
<b>FINANCIAL EXPENSES (INCOME), NET:</b>				
Financial expenses	16	230	403	924
Financial income	16	55	110	—
Total financial expenses, net		175	293	924
<b>LOSS FOR THE YEAR</b>		<b>(4,029)</b>	<b>(4,253)</b>	<b>(7,750)</b>
<b>Loss per share attributable to the ordinary equity holders of the Company:</b>				
Basic and diluted Loss per share*	19	(0.68)	(0.72)	(1.23)

\* After retrospective application due to share split (see note 20(2)).

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31		
	Note	2020	2019	2018
U.S. dollars in thousands				
<b>Assets</b>				
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	5	9,914	12,980	16,023
Trade receivables	6	554	1,274	225
Other receivables	6	1,193	698	681
		11,661	14,952	16,929
<b>TOTAL CURRENT ASSETS</b>				
<b>NON-CURRENT ASSETS:</b>				
Restricted deposit	14	1,011	1,003	602
Property and equipment, net	7	860	928	1,034
Right-of-Use asset	8	773	1,159	1,545
		2,644	3,090	3,181
<b>TOTAL NON-CURRENT ASSETS</b>				
		14,305	18,042	20,110
<b>TOTAL ASSETS</b>				
<b>Liabilities and shareholders' equity</b>				
<b>CURRENT LIABILITIES:</b>				
Trade payable		634	452	297
Israel Innovation Authority loan	14	96	398	357
Current maturities of lease liabilities	8	465	378	323
Other payable	9	2,505	2,206	1,919
Deferred revenues	15	6,054	5,982	4,608
		9,754	9,416	7,504
<b>TOTAL CURRENT LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES:</b>				
Liability for employee rights upon retirement, net		90	84	78
Israel Innovation Authority loan	14	—	46	155
Lease liability	8	520	924	1,207
		610	1,054	1,440
<b>TOTAL NON-CURRENT LIABILITIES</b>				
		10,364	10,470	8,944
<b>TOTAL LIABILITIES</b>				
<b>COMMITMENTS</b>				
	14			
<b>SHAREHOLDERS' EQUITY:</b>				
Ordinary Shares of 0.01 NIS par value	11	6	6	6
Preferred Shares of 0.01 NIS par value	11	8	8	8
Additional paid-in capital	11,12	40,161	39,763	39,104
Accumulated deficit		(36,234)	(32,205)	(27,952)
		3,941	7,572	11,166
<b>TOTAL SHAREHOLDERS' EQUITY</b>				
		14,305	18,042	20,110
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
		14,305	18,042	20,110

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Ordinary shares	Preferred shares	Additional paid-in capital	Accumu- lated deficit	Total
	U.S. dollars in thousands				
<b>BALANCE AS OF January 1, 2018</b>	6	5	19,233	(20,202)	(958)
<b>CHANGES DURING 2018:</b>					
Issuance of shares**	—	2	9,998	—	10,000
Conversion of convertible loans (note 10)	—	1	8,848	—	8,849
Exercise of options by employees	*	—	120	—	120
Share based compensation	—	—	905	—	905
Loss for the year	—	—	—	(7,750)	(7,850)
<b>BALANCE AS OF DECEMBER 31, 2018</b>	<b>6</b>	<b>8</b>	<b>39,104</b>	<b>(27,952)</b>	<b>11,166</b>
<b>CHANGES DURING 2019:</b>					
Exercise of options by employees	*	—	44	—	44
Share based compensation	—	—	615	—	615
Loss for the year	—	—	—	(4,253)	(4,253)
<b>BALANCE AS OF DECEMBER 31, 2019</b>	<b>6</b>	<b>8</b>	<b>39,763</b>	<b>(32,205)</b>	<b>7,572</b>
<b>CHANGES DURING 2020:</b>					
Exercise of options by employees	*	—	96	—	96
Share based compensation	—	—	302	—	302
Loss for the year	—	—	—	(4,029)	(4,029)
<b>BALANCE AS OF DECEMBER 31, 2020</b>	<b>6</b>	<b>8</b>	<b>40,161</b>	<b>(36,234)</b>	<b>3,941</b>

\* Represents an amount lower than 1 thousand U.S dollar

\*\* Net of issuance expenses

## CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2020	2019	2018
	U.S. dollars in thousands		
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
<b>Loss for the year</b>	<b>(4,029)</b>	<b>(4,253)</b>	<b>(7,750)</b>
Adjustments to reconcile loss for the year to net cash used in operating activities:			
Depreciation	571	573	598
Convertible loans fair value adjustment	—	—	750
Share based compensation expenses	302	615	905
Effect of exchange rate	19	8	(68)
Finance expenses of lease liabilities	146	220	47
Finance expenses of liability due to Israel Innovation Authority loan	50	79	84
Changes in asset and liability items:			
Decrease (increase) in trade receivables	719	(1,049)	(30)
Increase in other receivables	(495)	(17)	(269)
Increase (decrease) in trade payables	181	155	(136)
Increase in other payables and accruals	302	288	632
Increase in deferred revenues	71	1,374	3,058
Increase (decrease) in accrued severance pay, net	6	7	(7)
<b>Net cash used in operating activities</b>	<b>(2,157)</b>	<b>(2,000)</b>	<b>(2,186)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property and equipment	(117)	(80)	(41)
(Increase) in restricted deposit	—	(370)	(137)
<b>Net cash used in investing activities</b>	<b>(117)</b>	<b>(450)</b>	<b>(178)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from exercise of options	96	44	120
Issuance of Preferred Shares	—	—	10,000
Proceed from Israel Innovation Authority loan	—	210	409
Repayment of Israel Innovation Authority loan	(385)	(347)	(129)
Proceed from convertible loan	—	—	3,000
Principal elements of lease payments	(400)	(334)	(348)
Interest paid	(76)	(123)	(104)
<b>Net cash provided by (used in) financing activities</b>	<b>(765)</b>	<b>(550)</b>	<b>12,948</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(3,039)</b>	<b>(3,000)</b>	<b>10,584</b>
<b>BALANCE OF CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>12,980</b>	<b>16,023</b>	<b>5,338</b>
Effects of exchange rate changes on cash and cash equivalents	(27)	(43)	101
<b>BALANCE OF CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>9,914</b>	<b>12,980</b>	<b>16,023</b>
<b>Non-cash financing and investing activities</b>			
Conversion of convertible loan to preferred shares	—	—	(8,849)

## NOTES TO THE HISTORICAL FINANCIAL INFORMATION

### NOTE 1 — GENERAL

- a. Windward Ltd. (the “Company” or and its subsidiaries the “Group”) was incorporated in Israel and commenced its operations in January 2010. The registered office of the Company is Ha-Shlosha St 2, Tel Aviv-Yafo, Israel. The Company is engaged in marine analytics and in developing a unique technology for analyzing and organizing the world’s maritime information. During 2016, the Company established a wholly owned subsidiary in the United Kingdom, which provides fronting services to the Company. During 2018, the Company established two wholly owned subsidiaries in the United Kingdom and the United States, that provide sales and marketing services to the Company.
- b. Since its inception, the Company has accumulated losses from its business operations and has generated negative cash flows from operating activities. As of December 31, 2020, the Company has incurred an accumulated loss in the amount of approximately \$36,234 thousand. The Company also has a negative cash flow from operating activities in the years ended December 31, 2020, 2019 and 2018 in the amount of approximately \$2,159 thousand, \$2,000 thousand and \$2,186 thousand, respectively. In addition, the Company has positive capital and positive working capital as of December 31, 2020 in the amount of approximately \$3,941 thousand and in the amount of approximately \$1,907 thousand, respectively.

The Company plans to continue to finance its operations from its current resources and raising funds from existing or new investors. On June 13, 2021 the Company entered into a Convertible financing agreement with a few investors (the-“Investors”). On the Initial Closing Date, as defined in the agreement, the Investors shall invest in the Company an amount of up to \$10,000 thousand. As of the approval of these financial statements the Company received approximately \$3,300 thousand. Also, in 2021 the Company is preparing to raise funds through an IPO in the London capital markets (AIM market).

In October 2021 the Company entered into an agreement with Israeli Bank under which the bank agrees to provide a credit line for 12 months up to NIS 14,700 thousand (\$4,500 thousand) subject to the Company’s compliance with certain conditions as defined in the agreements.

Management believes that its current resources, together with its existing operating plan, are sufficient for the Company to meet its obligations as they come due at least for a period of twelve months from the date of the issuance of these consolidated financial statements. There are no assurances, however, that the Company will be able to obtain an adequate level of financial resources that are required for the Company’s long-term operations.

- c. As of the date of this report, the coronavirus (COVID-19) continues to spread in various locations around the world, however, it appears to be declining in Israel as a result of a large number of vaccinated individuals. The outbreak of the virus – including all its health, social and economic implications and consequences – has led to a global crisis.

Since the coronavirus outbreak, many countries have taken various measures to block and curb its spread, including by imposing closure on infected areas, closing their borders (both aerial and land), imposing restrictions on movement and work, and issuing home isolation orders to sections of their populations. During 2020, as part of the measures taken in Israel, restrictions were imposed on public and private sector activities, which were scaled down, mainly in terms of the number of employees allowed to enter their places of work and closure of workplaces in various sectors, as well as restrictions placed on residents and tourists.

As of the report date, the duration of the crisis and its full impact on business activity in Israel and around the world cannot be predicted. The Company’s management is of the opinion that the impact of coronavirus crisis has led to slowdown in sales process in all territories, mostly EU, India and Gulf Cooperation Council (GCC). During 2020, the Company’s management took the following actions to deal with the corona virus crisis: All employees’ worked from home, there was no material effect on productivity and they released few people (layoffs or unpaid leave) mainly in sales and marketing.

As of the report approval date, flights resumed to and from the Company’s countries of operation.

As of the report approval date, the Company believes that its ability to raise funds was not compromised by the coronavirus crisis. The Company's management continuously monitors and examines the various aspects of the effects of the coronavirus crisis and acts, whenever necessary, to make needed adjustments in order to minimize exposure for the Company's activities and performance.

As of the report approval date, and in light of the fact that this is a dynamic event characterized by substantial uncertainty, the extent of the crisis' effect on the Company's future operations depends on the extent of the materialization of various variables in Israel and around the world (such as the spread of the virus, the government's actions, the economy's response, the global economic situation, etc.). The Company is of the opinion that if the spread of the coronavirus will worsen over time, its consequences could have adverse effects for the global and Israeli economy.

## **NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES**

### **a. Basis of presentation of the consolidated financial statements**

The consolidated historical financial information presents the financial track record of the Group for the three years ended December 31, 2020 and have been prepared in accordance with the requirements of the AIM Rules, in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The significant accounting policies described below have been applied consistently in relation to all the reporting periods, unless otherwise stated.

In determining and applying accounting policies, the management are required to make judgements and estimates in respect of items where the choice of specific policy, accounting judgement, estimate or assumption to be followed could materially affect the Group 's reported financial position, results or cash flows and disclosure of contingent assets or liabilities during the reporting period; it may later be determined that a different choice may have been more appropriate. The Group 's critical accounting judgements and key sources of estimation uncertainty are detailed in note 3. Actual outcomes could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period; they are recognized in the period of the revision and future periods if the revision affects both current and future periods.

The financial information has been prepared under the historical cost convention, subject to adjustments in respect of revaluation of financial liabilities at fair value through profit or loss presented at fair value.

### **b. Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates is U.S. dollar (" \$" or "dollar"). The consolidated financial statements are presented in in U.S. dollar (" \$" or "dollar") currency units, which is the Company and its subsidiaries functional currency and the group presentation currency.

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognized in profit or loss. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within financial expenses/income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

**c. Principals of consolidation**

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

Inter-Company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

**d. Cash and cash equivalents**

All highly liquid investments, which include short-term bank deposits, that are not restricted as to withdrawal or use, and short-term debentures, the period to maturity of which do not exceed three months at the time of investment, are considered to be cash equivalents. Cash and cash equivalents exclude restricted cash.

**e. Restricted deposit**

Restricted deposits consist of cash deposits for office lease, credit card guarantee, guarantees required under a customer agreement and a guarantee required under the terms of a tender which was submitted by the Company. These deposits serve a collateral for bank guarantees.

**f. Property and equipment**

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is calculated by the straight-line basis over the estimated useful lives to their residual value of the related assets of the assets at the following annual rates:

	%
Computers	15-33
Office furniture and equipment	7-15

Leasehold improvements are amortized utilizing the straight-line method over the expected term of the lease.

**g. Impairment of long-lived assets**

The Company evaluates the need to record an impairment of the carrying amount of non-financial assets whenever events or changes in circumstances indicate that the carrying amount of the asset is not recoverable. Where the carrying amount of a non-financial asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted using a pre-tax discount rate that reflects current market assessments specific to the asset. The recoverable amount of an asset that does not generate independent cash flows is determined for the cash-generating unit to which the asset relates. For all reporting periods no impairment losses have been identified.

## **h. Revenue recognition**

Revenue from rendering of services is recognized over time, during the period the customer simultaneously receives and consumes the benefits provided by the Company's performance. The Company charges its customers based on payment terms agreed upon in specific agreements. When payments are made before or after the service is performed, the Company recognizes the resulting contract asset or liability.

Transactions with financing:

The Company has elected to apply the practical expedient allowed by IFRS 15 according to which the Company does not separate the financing component in transactions for which the period of financing is one year or less and recognizes revenue in the amount of the consideration stated in the contract even if the customer pays for the goods or services before or subsequent to their receipt.

The Company derives its revenue from-subscription fees from customers accessing the Company's enterprise cloud computing services (Software as a Service). The Company's agreements do not provide customers with the right to take possession of the software supporting the applications and, as a result, are accounted for as service contracts.

In order to obtain certain contracts with customers, the Company incurs incremental costs in obtaining the contract (such as sales commissions which are contingent on making binding sales). Costs incurred in obtaining the contract with the customer which would not have been incurred if the contract had not been obtained and which the Company expects to recover are recognized as an asset and amortized on a systematic basis that is consistent with the provision of the services under the specific contract.

Revenues are primarily recognized ratably as the service is provided to the customer and consist of fees paid for secured network connectivity services.

## **i. Employee benefit liabilities**

### **1. Short-term employee benefits:**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### **2. Post-employment benefits:**

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Israeli labor law generally requires payment of severance pay upon dismissal of an employee or upon termination of employment in certain other circumstances. Company's pension and severance pay liability to certain employees is covered mainly by purchase of insurance policies. Pursuant to section 14 of the Severance Compensation Act, 1963 ("section 14"), some of the Company's employees are entitled to monthly deposits, at a rate of 8.33% of their monthly salary, made in their name with insurance companies. Payments in accordance with section 14 relieve the Company from any future severance payments in respect of those employees and as such the Company may only utilize the insurance policies for the purpose of disbursement of severance pay. The Company has recorded a severance pay liability for the amount that would be paid if certain of the employees that are not subject to section 14, were terminated at the balance sheet date, in accordance with Israeli labor law. This liability is computed based upon the number of years of service multiplied by their monthly salary, net of the amount deposited.

**j. Share based compensation**

The Company's employees are entitled to remuneration in the form of equity-settled share-based payment transactions.

*Equity-settled transactions:*

The cost of equity-settled transactions with employees is measured at the fair value of the equity instruments granted at grant date. The fair value is determined using an acceptable option pricing model.

As for other service providers, the cost of the transactions is measured at the fair value of the goods or services received as consideration for equity instruments granted. The cost of equity-settled transactions is recognized in profit or loss together with a corresponding increase in equity during the period which the performance and/or service conditions are to be satisfied ending on the date on which the relevant employees become entitled to the award ("the vesting period"). The cumulative expense recognized for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether the market condition is satisfied, provided that all other vesting conditions (service and/or performance) are satisfied.

If the Company modifies the conditions on which equity-instruments were granted, an additional expense is recognized for any modification that increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee/other service provider at the modification date.

If a grant of an equity instrument is canceled, it is accounted for as if it had vested on the cancellation date and any expense not yet recognized for the grant is recognized immediately. However, if a new grant replaces the canceled grant and is identified as a replacement grant on the grant date, the canceled and new grants are accounted for as a modification of the original grant, as described above.

**k. Income taxes**

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

#### **I. Research and development costs**

Costs associated with maintaining software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use.
- management intends to complete the software and use or sell it.
- there is an ability to use or sell the software.
- it can be demonstrated how the software will generate probable future economic benefits.
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

When an internally developed intangible asset cannot be recognized, the development costs are recognized as an expense in profit or loss as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

For all the reporting periods, the above criteria have not been met and therefore all development costs have been recognized as an expense in profit or loss.

#### **m. Leases**

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The Company has not elected to apply the practical expedient in the Standard and separate the lease components from the non-lease components.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

## **n. Financial instruments**

### **1. Financial assets:**

Financial assets are measured upon initial recognition at fair value (except trade receivables) plus transaction costs that are directly attributable to the acquisition of the financial assets, except for financial assets measured at fair value through profit or loss in respect of which transaction costs are recorded in profit or loss.

Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognized at fair value. They are subsequently measured at amortized cost using the effective interest method, less expected credit loss allowance.

The Company classifies and measures debt instruments in the financial statements based on the following criteria:

- The Company's business model for managing financial assets; and
- The contractual cash flow terms of the financial asset.

### **2. Impairment of financial assets:**

The Company evaluates at the end of each reporting period the loss allowance for financial debt instruments which are not measured at fair value through profit or loss. The Company distinguishes between two types of loss allowances:

- a) Debt instruments whose credit risk has not increased significantly since initial recognition, or whose credit risk is low – the loss allowance recognized in respect of this debt instrument is measured at an amount equal to the expected credit losses within 12 months from the reporting date (12-month expected credit losses); or

- b) Debt instruments whose credit risk has increased significantly since initial recognition, and whose credit risk is not low – the loss allowance recognized is measured at an amount equal to the expected credit losses over the instrument's remaining term (lifetime expected credit losses).

The Company has short-term financial assets such as trade receivables in respect of which the Company applies a simplified approach and measures the loss allowance in an amount equal to the lifetime expected credit losses.

An impairment loss on debt instruments measured at amortized cost is recognized in profit or loss with a corresponding loss allowance that is offset from the carrying amount of the financial asset.

The Company did not recognize an allowance for expected credit losses in all the reporting periods (see also note 6).

3. Derecognition of financial assets:

a) financial asset is derecognized only when:

- The contractual rights to the cash flows from the financial asset has expired; or
- The Company has transferred substantially all the risks and rewards deriving from the contractual rights to receive cash flows from the financial asset or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset; or
- The Company has retained its contractual rights to receive cash flows from the financial asset but has assumed a contractual obligation to pay the cash flows in full without material delay to a third party.

4. Financial liabilities:

a) Financial liabilities measured at amortized cost:

Financial liabilities are initially recognized at fair value less transaction costs that are directly attributable to the issue of the financial liability.

After initial recognition, the Company measures all financial liabilities at amortized cost using the effective interest rate method, except for:

- Financial liabilities at fair value through profit or loss such as derivatives.

5. Derecognition of financial liabilities:

A financial liability is derecognized only when it is extinguished, that is when the obligation specified in the contract is discharged or canceled or expires. A financial liability is extinguished when the debtor discharges the liability by paying in cash, other financial assets, goods or services; or is legally released from the liability.

**n. Provisions**

A provision in accordance with IAS 37 is recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects part or all of the expense to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense is recognized in the statement of profit or loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

The following are the types of provisions included in the financial statements:

*Legal claims:*

A provision for claims is recognized when the Group has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of resources embodying economic benefits will be required by the Group to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**o. Government grants:**

Government grants are recognized when there is reasonable assurance that the grants will be received, and the Company will comply with the attached conditions.

Amounts received from the Israel Innovation Authority (formerly: The Office of the Chief Scientist in Israel, "the IIA") are recognized upon receipt as a liability if future economic benefits are expected from the research project that will result in royalty-bearing sales. See also note 14.

A liability for consideration received is first measured at fair value using a discount rate that reflects a market rate of interest. The difference between the amount of the consideration received and the fair value of the liability is accounted for as a Government grant and recognized as a reduction of research and development expenses. After initial recognition, the liability is measured at amortized cost using the effective interest method under IFRS 9 requirements. Royalty payments are treated as a reduction of the liability.

**p. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement is based on the assumption that the transaction will take place in the asset's or the liability's principal market, or in the absence of a principal market, in the most advantageous market.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities measured at fair value or for which fair value is disclosed are categorized into levels within the fair value hierarchy based on the lowest level input that is significant to the entire fair value measurement:

- |         |   |   |
|---------|---|---|
| Level 1 | — | quoted prices (unadjusted) in active markets for identical assets or liabilities.   |
| Level 2 | — | inputs other than quoted prices included within Level 1 that are observable directly or indirectly.                                       |
| Level 3 | — | inputs that are not based on observable market data (valuation techniques which use inputs that are not based on observable market data). |

**q. Loss per share**

*(i) Basic loss per share*

Basic loss per share is calculated by dividing:

- the loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares.
- by the weighted average number of ordinary shares outstanding during the financial year.

(ii) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

**r. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments. The Group operates in one operating segment.

**s. Litigation**

The Company is exposed to the risk of litigation from its customers, suppliers, employees, authorities and third parties impacted by the Company's activities, products or services, amongst others in the normal course of business. The Company is not aware of any material pending or threatened litigation which meets the recognition and disclosure requirements of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets.

**NOTE 3 — SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS:**

In the process of applying the significant accounting policies, the Group has made the following judgments which have the most significant effect on the amounts recognized in the financial statements:

a) Judgments:

– Development costs:

The Company has determined that in all the reporting periods, the criteria for recognizing development project costs as intangible assets have not been met and therefore all of the development costs have been recognized in profit or loss.

– Deferred tax assets:

Deferred tax assets are recognized for unused carryforward tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the timing and level of future taxable profits, its source and the tax planning strategy. The Company didn't recognize deferred tax assets in all the reporting periods.

b) Estimates and assumptions:

The preparation of the financial statements requires management to make estimates and assumptions that have an effect on the application of the accounting policies and on the reported amounts of assets, liabilities, revenues and expenses. Changes in accounting estimates are reported in the period of the change in estimate.

The key assumptions made in the financial statements concerning uncertainties at the reporting date and the critical estimates computed by the Group that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

– Determining the fair value of share-based payment transactions:

The fair value of share-based payment transactions is determined upon initial recognition by an acceptable option pricing model. The inputs to the model include share price, exercise price and assumptions regarding expected volatility, expected life of share option and expected dividend yield.

**NOTE 4 — DISCLOSURE OF NEW NOT YET ADOPTED:**

a. Amendment to IAS 1, “Presentation of Financial Statements”:

In January 2020, the IASB issued an amendment to IAS 1, “Presentation of Financial Statements” (“the Amendment”) regarding the criteria for determining the classification of liabilities as current or non-current.

The Amendment includes the following clarifications:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The Amendment is effective for annual periods beginning on or after January 1, 2023 and must be applied retrospectively.

The Company estimates that the application of the Amendments is not expected to have a material impact on the financial statements.

**NOTE 5 – CASH AND CASH EQUIVALENT:**

	<b>December 31</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<b>U.S dollars in thousands</b>		
Cash for immediate withdrawal – ILS	1,638	3,097	1,828
Cash for immediate withdrawal – USD	7,691	8,914	12,141
Cash for immediate withdrawal – EUR	381	661	2,045
Cash for immediate withdrawal – OTHER	204	308	9
	<u>9,914</u>	<u>12,980</u>	<u>16,023</u>

**NOTE 6 – TRADE AND OTHER RECEIVABLES:**

a) Trade receivables, net

	<b>December 31</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<b>U.S dollars in thousands</b>		
Trade receivables from contracts with customers	554	1,274	225
expected credit loss allowance	—	—	—
	<u>554</u>	<u>1,274</u>	<u>225</u>

- a. At each reporting date the majority of the trade receivables have not yet reached their due date.
- b. The majority of the trade receivables was repaid after each reporting date.

b) Other receivables

	December 31		
	2020	2019	2018
	<b>U.S dollars in thousands</b>		
Institutions	193	53	—
Prepaid expenses	998	621	674
other	2	24	7
	1,193	698	681
	1,193	698	681

**NOTE 7 – PROPERTY AND EQUIPMENT:**

As of December 31, 2018:

	December 31			Total
	Computers	Leasehold improvements	Office furniture and equipment	
	<b>U.S dollars in thousands</b>			
Cost:				
Balance as of January 1, 2018	394	1,224	167	1,785
Purchases	36	—	5	41
Balance as of December 31, 2018	430	1,224	172	1,826
Less – accumulated depreciation				
Balance as of January 1, 2018	(307)	(237)	(36)	(580)
Depreciation	(82)	(117)	(13)	(212)
Balance as of December 31, 2018	(389)	(354)	(49)	(792)
Depreciated cost as of December 31, 2018	41	870	123	1,034

As of December 31, 2019:

	<b>December 31</b>			
	<b>Computers</b>	<b>Leasehold improvements</b>	<b>Office furniture and equipment</b>	<b>Total</b>
	<b>U.S dollars in thousands</b>			
Cost:				
Balance as of January 1, 2019	430	1,224	172	1,826
Purchases	77	—	4	81
Balance as of December 31, 2019	507	1,224	176	1,907
Less – accumulated depreciation				
Balance as of January 1, 2019	(389)	(354)	(49)	(792)
Depreciation	(57)	(117)	(13)	(187)
Balance as of December 31, 2019	(446)	(471)	(62)	(979)
Depreciated cost as of December 31, 2019	61	753	114	928

As of December 31, 2020:

	<b>December 31</b>			
	<b>Computers</b>	<b>Leasehold improvements</b>	<b>Office furniture and equipment</b>	<b>Total</b>
	<b>U.S dollars in thousands</b>			
Cost:				
Balance as of January 1, 2020	507	1,224	176	1,907
Purchases	99	—	18	117
Balance as of December 31, 2020	606	1,224	194	2,024
Less – accumulated depreciation				
Balance as of January 1, 2020	(446)	(471)	(62)	(979)
Depreciation	(57)	(115)	(13)	(185)
Balance as of December 31, 2020	(503)	(586)	(75)	(1,164)
Depreciated cost as of December 31, 2020	103	638	119	860

**NOTE 8 — LEASES:**

1. The Company has entered into a lease agreement under which it leases offices. The Company's activities occur mainly from the Company's offices in Tel Aviv.

According to the lease agreement, the Company has a lease agreement from January 1, 2016, which is valid until December 31, 2022, on top of an area of approximately 1,119 square meters. The quarterly lease payment is 402,840 NIS (120 NIS per square meter).

The Company has an option to extend the lease period for an additional five years as part of the calculation of the lease obligation, the option to extend the said lease period was not taken into account, since it is not reasonably certain that it will be exercised.

2. The subsidiaries rent offices in the United States for a short period. The companies recognized rent expenses of \$2,088 per month. The Company choose not to recognize the lease as a right of use assets since it is a short-term period lease.

**Disclosures for right of use asset:**

	<b>U.S dollars in thousand</b>
<b>Balance as of January 1, 2018</b>	<b>1,932</b>
Depreciation charge	386
<b>Balance as of December 31, 2018</b>	<b>1,545</b>
Depreciation charge	386
<b>Balance as of December 31, 2019</b>	<b>1,159</b>
Depreciation charge	386
<b>Balance as of December 31, 2020</b>	<b>773</b>

**Disclosures for lease liability:**

	<b>U.S dollars in thousand</b>
<b>Balance as of January 1, 2018</b>	<b>1,932</b>
Lease payments	(449)
Interest	129
Exchange rate differences	(82)
<b>Balance of December 31, 2018</b>	<b>1,530</b>
Lease payments	(447)
Interest	107
Exchange rate differences	113
<b>Balance of December 31, 2019</b>	<b>1,302</b>
Lease payments	(464)
Interest	82
Exchange rate differences	64
<b>Balance of December 31, 2020</b>	<b>985</b>

Details regarding lease transactions

	December 31,		
	2020	2019	2018
	<b>U.S dollars in thousand</b>		
Interest expenses in respect of lease obligations	82	107	130
Short term period lease expenses	24	—	—
Total cash flow for leases	<u>464</u>	<u>447</u>	<u>448</u>

**NOTE 9 — OTHER PAYABLE:**

	December 31,		
	2020	2019	2018
	<b>U.S dollars in thousand</b>		
Accrued vacation	742	420	566
Employees and institutions- December salaries	1,144	853	839
Accrued expenses	618	934	514
	<u>2,504</u>	<u>2,207</u>	<u>1,919</u>

**NOTE 10 — CONVERTIBLE LOANS:**

- a. On February 2016, the Company's board of Directors approved the execution, delivery and performance of a convertible bridge financing agreement ("CBFA 1"), including all transactions contemplated thereby for raising a total amount not to exceed \$2,000 thousand throughout February 2017. Through the end of November 2016, the Company received loans from various lenders of \$1,000 thousand. Pursuant to the CBFA 1, the loans will be converted to equity under certain terms.
- b. On October 2016, the Company's board of Directors approved the execution, delivery and performance of a second convertible bridge financing agreement ("CBFA 2"), including all transactions contemplated thereby for raising a total amount not to exceed \$8,000 thousand throughout March 2017. Through the end of November 2016, the Company received a loan from lender of \$5,000 thousand and issued to the lender a warrant to purchase 27,704 ordinary shares for an exercise price of \$8.82 per share. Pursuant to the CBFA, the loan will be converted to equity under certain terms. The warrants expired during the year 2019. The warrants have been classified as equity instruments as they were issued.
- c. During May 2018, the Company received a convertible bridge loan of \$3,000 thousand from existing investors as an advance on account of the share purchase agreement. The convertible bridge loan was fully converted as part of the financing round (see note 11).
- d. During 2018, the Company converted all of its convertible loans to equity (see also note 11). Under the terms of the convertible loan agreements, the loans will be converted to equity at the earliest of 2 years from each loan grant date; or the closing date of a Qualified Financing Round (as defined in the convertible loan agreements). In case that the loans are converted upon the lapse of the 2 years from the grant date, the conversion price is based on a pre-conversion Company valuation of US\$200,000 thousand. In case that the conversion occurs as part of a Qualified Financing Round, the conversion price will be the price at the Qualified Financing Round, less 10%-20% discount.
- e. The conversion option inherent in the convertible loan constitutes a financial derivative since the loan can be converted, in certain event, into a variable number of the Company's shares. Hence the financial instrument as a whole (the convertible loan) contain an embedded derivative. The Company has designated the instrument as a whole for fair value measurement

through profit or loss as possible in accordance with the provisions of IFRS 9. The fair value of the convertible loan as of December 31, 2017 and close to the conversion date in June 2018 amounted to \$5,098 thousand and \$5,849 thousand, respectively. Accordingly, during 2018, the Company recognized financing expenses in the amount of approximately \$750 thousand.

At the time of the conversion of the convertible loans (CBFA1, CBFA2 and convertible bridge loan), into shares, in June 2018, the Company recognized an amount of \$8,849 thousand in equity.

## NOTE 11 — EQUITY:

### a. Issuance of capital share

The Company's equity consists of: Ordinary Shares, par value NIS 0.01 each and Preferred Shares, par value NIS 0.01 each, divided into the following classes: Preferred A Shares, Preferred B Shares, Preferred B-1 Shares, Preferred B-2 Shares, Preferred C Shares and Preferred C-1 Shares, as follows:

	Number of shares					
	Issued and outstanding					
	December 31, 2020		December 31, 2019		December 31, 2018	
	Ordinary shares	Preferred shares	Ordinary shares	Preferred shares	Ordinary shares	Preferred shares
Ordinary Shares, par value NIS 0.01	1,127,280		1,103,564		1,087,706	—
Preferred A Shares, par value NIS 0.01	—	607,260	—	607,260	—	607,260
Preferred B Shares, par value NIS 0.01	—	666,261	—	666,261	—	666,261
Preferred B-1 Shares, par value NIS 0.01	—	482,610	—	482,610	—	482,610
Preferred B-2 Shares, par value NIS 0.01	—	16,672	—	16,672	—	16,672
Preferred C Shares, par value NIS 0.01	—	716,306	—	716,306	—	716,306
Preferred C-1 Shares, par value NIS 0.01	—	343,342	—	343,342	—	343,342
Total	1,127,280	2,832,451	1,103,564	2,832,451	1,087,706	2,832,451

- b. In January 2011, the Company signed a share purchase agreement (the "2011 Agreement") with an investor who invested an aggregate sum of approximately \$1,000 thousand in exchange for an aggregate of 475,436 Series A Preferred Shares. Under the 2011 Agreement, the investor was concurrently issued a warrant to purchase 367,842 Series A Preferred Shares. During January 2011, the investor exercised the warrant to purchase 265,076 Series A Preferred Shares for a total exercise price of approximately \$600 thousand. The remainder of the warrants expired during 2013.

In October 2013, the Company signed a share purchase agreement (the "2013 Agreement") with an investor who invested an aggregate sum of \$4,000 thousand in exchange for an aggregate of 533,009 Series B Preferred Shares. As part of the 2013 Agreement, the Company has converted 133,252 shares of Series A Preferred shares into Series B Preferred Shares.

In April 2015, the Company signed a share purchase agreement (the "2015 Agreement") with certain investors who invested an aggregate sum of approximately \$10,700 thousand in exchange for 448,716 Series B1 Preferred Shares (including an amount of approximately \$175 thousand that was included in the deferred closing of the 2015 Agreement). As part of the 2015 Agreement, the Company has also converted 33,894 Ordinary shares to Series B1 Preferred Shares.

In June 2018, the Company signed a share purchase agreement (the “2018 Agreement”) with certain investors (existing and external) who invested an aggregate sum of approximately \$13,300 thousand (including an amount of approximately \$3,000 thousand received from a convertible financing agreement which converted into the Series C Preferred shares issued under the 2018 Agreement) in exchange for 716,306 Series C Preferred Shares.

Under the 2018 agreement, the Company reserved for each of the Company founders, Ami Daniel and Matan Peled 56,219 options that can be converted into 56,219 ordinary shares of the Company, fully vested and with shares nominal value as exercise price. The Company treated the granting of the said options as a share-based compensation transaction in accordance with the requirement of IFRS 2 and recorded a share-based compensation expenses amount of approximately \$ 508 thousand. The fair value of the options as stated above is calculated based on the Company ordinary share price in the amount of \$ 4.51.

As a result of the 2018 Agreement, the Company’s remainder of outstanding convertible loans were converted to preferred shares, accordance with their terms and conditions. Some of the convertible loans were converted to preferred shares accordance with the conversion price that reflect 20% discount on the price per share which is determined in the 2018 Agreement (since the 2018 Agreement constituted a qualified investment) and some of the convertible loans were converted to preferred shares accordance with a Company value of \$200,000 thousand.

During 2018, the convertible loans were converted into 16,670 Series B2 Preferred Shares and 343,342 Series C1 Preferred Shares. As a result of the conversion of the convertible loans as stated above, the Company recorded a total of approximately \$8,848 thousand in equity.

**c. Rights attached to shares:**

- 1) Ordinary shares (“Ordinary Shares”) confer upon their holder’s rights to receive notices of general meetings of the shareholders of the Company, to vote at such meetings (each share equals one vote) and to participate in any distribution of dividends, bonus shares or any other distribution of the property of the Company.

All the Ordinary Shares rank *pari passu* in relation to the amounts of capital paid or credited as paid on their nominal value, in connection with dividend, the distribution of bonus shares and any other distribution, return of capital and participation in a distribution of the Company’s surplus assets on winding up.

- 2) Series A, B and B-1, B-2, C, C-1 Preferred shares (“Preferred Shares”) confers upon the holders thereof all of the rights conferred upon the holders of Ordinary Shares and, in addition, confer the following rights:
  - a) Voting Rights – Each share of preferred shares confers upon its holder voting rights equal to the underlying number of Ordinary Shares into which such shares of Preferred Share may be converted according to the conversion rate in effect at the time of such vote.
  - b) Conversion – Each of the Preferred Shares shall be convertible, at the option of the respective holder(s) thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable Ordinary Shares as is determined by dividing the applicable Original Issue Price of such share by the Conversion Price at the time in effect for such share (as such terms are defined in the Company’s articles of association, as may be in effect from time to time) and otherwise as defined in the Company’s articles of association .
  - c) Dividend – Subject to Article 101 of the Company’s articles of association, the Company, may upon the approval of the Board of Directors, declare a Dividend to be paid to the Shareholders, according to their rights and benefits in the profits, and to decide the time of payment.
  - d) Liquidation – The Preferred Shares provide the holders thereof with a non-participating liquidation preference in a liquidation event as defined in the Company’s articles of association.

- 3) The Preferred Shares have been classified as equity instruments as they are not redeemable by investors except for events that are under the Company's control and do not require the Company to pay a dividend.

#### NOTE 12 — SHARE BASED COMPENSATION

In 2011, the Company's Board of Directors approved a share option plan (the "Plan") to grant certain employees and consultants of the Company options to purchase Ordinary shares of the Company, 0.01 NIS par value each.

Following is a summary of the status of the option plan as of December 31, 2020, 2019 and 2018, and the changes during the years ended on these dates:

	Year ended December 31					
	2020		2019		2018	
	Number	Weighted average exercise price	Number	Weighted average exercise price	Number	Weighted average exercise price
Options outstanding at beginning of year	592,174	5.64	596,411	5.72	448,314	6.40
Changes during the year:						
Granted	144,443	3.64	114,321	4.85	290,129	4.52
Exercised	23,716	3.93	15,858	2.7	63,922	1.90
Forfeited	167,291	6.8	102,700	4.03	78,110	8.31
Options outstanding at end of year	545,610	4.74	592,174	5.64	596,411	5.72
Options exercisable at year-end	320,947	4.79	291,242	5.91	193,440	5.36

(\*) The number of options in the table above does not include the options granted to the founders as stated in Note 10B above.

The fair value of option granted was estimated using the Black – Scholes option-pricing model. The fair value of the grants granted in 2018 amounted to approximately \$ 3-7.79 per option, the fair value of the grants granted in 2019 amounted to approximately \$ 2.57-5.03 per option and the fair value of the grants granted in 2020 amounted to approximately \$ 2.36-2.57 per option. The assumptions used to value options granted during 2020, 2019 and 2018 were as follows:

	Year ended December 31		
	2020	2019	2018
Ordinary share fair value	4.76-5.03	4.51-5.03	4.51-7.79
Risk-free interest rate	0.72%-1.76%	1.73%-2.69%	2.92%-3.24%
Expected term (in years)	6.11-6.35	6.11-6.35	6.11-6.35
Dividend yield	0%	0%	0%
Volatility	41.76%	46.34%-48.34%	53.94%

Total share-based compensation expenses recognized, were approximately:

	<b>December 31</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<b>U.S dollars in thousand</b>		
Research and development	25	224	187
Sales and marketing	58	162	45
General and administration	219	229	673
	<u>302</u>	<u>615</u>	<u>905</u>

#### **NOTE 13 — FINANCIAL INSTRUMENTS**

1. The Group holds the following financial instruments:

	<b>December 31</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<b>U.S. dollars in thousand</b>		
Financial assets:			
Financial assets at amortized cost:			
Cash and cash equivalents	9,914	12,980	16,023
Trade receivables	1,254	1,398	349
Restricted deposit	1,011	1,003	602
	<u>12,179</u>	<u>15,381</u>	<u>16,974</u>

	<b>December 31</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<b>U.S. dollars in thousand</b>		
Financial liabilities:			
Liabilities at amortized cost:			
Trade and other payables	634	452	297
Lease liability	985	1,302	1,530
Israel Innovation Authority loan	96	444	512
Other payable	616	928	509
	<u>2,330</u>	<u>3,126</u>	<u>2,848</u>

2. Fair value:

The management believes that the carrying amount of cash, short-term deposits, trade receivables, restricted deposits trade payables and other current liabilities approximate their fair value due to the short-term maturities of these instruments.

3. Financial risk management objectives and policies:

The Company's principal financial liabilities are comprised of trade and other payables, and convertible loans. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, cash and short-term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The financial risk is managed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and objectives. The Board reviews and approves the policies for each of the risks summarized below.

a. Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks, such as share price risk and commodity risk.

b. Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign currency exchange rates.

The Company's exposure to foreign currency risk relates primarily to the Company's continuing operation (when revenue or expense is recognized in a different currency from the Company's functional currency).

As of December 31, 2020, the Company has excess financial assets over financial and lease liabilities in NIS currency in relation to dollars totaling approximately \$679 thousand.

c. Credit risk:

Credit risk is the risk that a counterparty will not meet its obligations as a customer or under a financial instrument leading to a loss to the Group. The Group is exposed to credit risk from its operating activity (primarily trade receivables) and from its financing activity, including deposits with banks and other financial institutions.

d. Liquidity risk:

The Group's senior management monitors the risk to a shortage of funds on continuing basis.

The tables below analyze the Group's financial liabilities into relevant maturity Groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2020:

	Less than one year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	Total
<b>Dollars in thousands</b>							
Trade payables	634	—	—	—	—	—	634
Other payables	616	—	—	—	—	—	616
Lease liability	526	526	—	—	—	—	1,052
Israel Innovation Authority loan	96	—	—	—	—	—	96
	<u>1,872</u>	<u>526</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,398</u>

December 31, 2019:

	Less than one year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	Total
<b>Dollars in thousands</b>							
Trade payables	452	—	—	—	—	—	452
Other payables	928	—	—	—	—	—	928
Lease liability	466	490	490	—	—	—	1,446
Israel Innovation Authority loan	398	76	—	—	—	—	474
	<u>2,244</u>	<u>566</u>	<u>490</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,300</u>

December 31, 2018:

	Less than one year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	Total
<b>Dollars in thousands</b>							
Trade payables	297	—	—	—	—	—	297
Other payables	509	—	—	—	—	—	509
Lease liability	430	430	451	451	—	—	1,762
Israel Innovation Authority loan	339	209	—	—	—	—	548
	<u>1,575</u>	<u>639</u>	<u>451</u>	<u>451</u>	<u>—</u>	<u>—</u>	<u>3,116</u>

**NOTE 14 — COMMITMENTS:**

- a. As of December 31, 2020, 2019, and 2018, the Company pledged bank deposit in a total amount of approximately \$356, \$333 and \$302 thousand, in consideration of a lease agreement.
- b. As of December 31, 2020, 2019, and 2018, the Company pledged bank deposit in a total amount of approximately \$119, \$111 and \$71 thousand, in consideration of credit card guarantees.
- c. As of December 31, 2020, 2019, and 2018, the Company pledged bank deposit in a total amount of approximately \$536, \$559 and \$229 thousand, in consideration of guarantees required under a customer agreement.

**d. Royalty commitments**

The Company is committed to pay royalties to the IIA on proceeds from sales of products in the research and development of which the IIA participates by way of grants. Under the terms of the grants, the Company is committed to pay royalties from all of its sales. At the time the grants were received, successful development of the related projects was not assured. Under the terms of the Company's funding from the IIA, royalties of 3%-3.5% are payable on sales of products developed from a project so funded, up to 100% of the amount of the grant received by the Company plus interest according to the LIBOR rate. Under the terms of the grant, the Company also has certain limitations on its intellectual property.

During 2017, the Company submitted a plan for 2017 under which it received a total amount of approximately \$173 thousand during 2017 and an additional \$280 thousand during 2018.

During May 2018, the Company received a consecutive approval for grants from the Israeli Innovation Authority (the "2018 grant"). Under the 2018 grant, the Company receive a participation of up to approximately \$620 thousand subject to fulfillment of certain condition. During 2018, the Company received \$215 thousand under the 2018 grant, and an additional \$47 thousand under 2017 plan. During 2019 the Company received the last payment of \$250 thousand under the 2018 grant.

As of December 31, 2020, December 31, 2019 and December 31, 2018, the Company has recorded a loan for the grant received of approximately \$95 thousand, \$440 thousand and \$512 thousand, respectively. In addition, the Company recorded at every receipt of payment for the said amounts, the difference between the amount of the consideration received and the amount of the liability recognized (that is treated as a loan under IFRS 9) as a government grant and recognized as a reduction of research and development expenses. Accordingly, in the years ended December 31, 2020, 2019 and 2018, the Company recorded a reduction in research and development expenses in the amount of \$0, \$40 thousand and \$133 thousand respectively.

The liability as stated above was calculated based on an average discount rate of approximately 19.5% which is calculated by an independent external appraiser and based on a forecast of payments in respect of income which is due to the payment of royalties in the years 2018-2021.

**NOTE 15 — REVENUES FROM CONTRACT WITH CUSTOMERS:**

The Group derives revenue from the transfer of services over time in the following major customer types and geographical regions:

	<b>Year ended December 31</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<b>U.S. dollars in thousands</b>		
<b>a. Customer types:</b>			
Governments	12,490	10,728	8,298
Commercial	2,135	1,350	276
	<u>14,625</u>	<u>12,078</u>	<u>8,574</u>
<b>b. Geographical regions:</b>			
Israel*	513	642	657
US	2,007	606	55
APAC	3,702	2,213	1,481
Europe	4,073	3,612	2,689
Gulf Cooperation Council (GCC) & Africa	4,299	4,992	3,692
South/Latin America	31	13	—
	<u>14,625</u>	<u>12,078</u>	<u>8,574</u>

\* Substantially all of the non-current asset in the consolidated financial statement are located in Israel.

Revenues from major customers which each account for 10% or more of total revenues reported in the financial statements:

	<b>Year ended December 31</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<b>U.S. dollars in thousands</b>		
UAE (United Arab Emirates)	1,630	1,626	1,615
Philippines	1,521	1,508	1,481
Angola	500	1,500	1,500
Italy	1,019	1,786	1,885

**Deferred revenues**

Movement in deferred revenues, net:

	<b>U.S. dollars in thousands</b>
Balance as of January 1, 2018	1,546
Revenue recognized that was included in the contract liability balance at the beginning of the year	(1,546)
Consideration received during the year in respect to performance obligation that will be satisfied in the next year	4,608
Balance as of December 31, 2018	4,608
Revenue recognized that was included in the contract liability balance at the beginning of the year	(4,608)
Consideration received during the year in respect to performance obligation that will be satisfied in the next year	5,982
Balance as of December 31, 2019	5,982
Revenue recognized that was included in the contract liability balance at the beginning of the year	(5,982)
Consideration received during the year in respect to performance obligation that will be satisfied in the next year	6,054
Balance as of December 31, 2020	6,054

**NOTE 16 — SUPPLEMENTARY OPERATIONAL INFORMATION:**

	<b>Year ended December 31</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<b>U.S dollars in thousands</b>		
<b>Cost of Revenues:</b>			
Payroll and related expenses	440	314	499
Hosting services and data	2,481	2,119	2,232
Other	116	196	117
	<u>3,037</u>	<u>2,629</u>	<u>2,848</u>
<b>Research and development, net:</b>			
Payroll and related expenses	5,050	4,051	3,332
Share based compensation expenses	25	224	187
Depreciation and building maintenance	264	257	272
Other	674	756	1,176
Less grants from the IIA	—	(40)	(133)
	<u>6,013</u>	<u>5,248</u>	<u>4,834</u>
<b>Sales and marketing:</b>			
Payroll and related expenses	3,984	3,196	2,347
Marketing expenses	—	—	121
Consultants	1,335	383	598
Travel expenses	156	373	319
Share based compensation expenses	58	162	45
Depreciation and building maintenance	172	141	150
Other	690	1,333	882
	<u>6,395</u>	<u>5,588</u>	<u>4,462</u>
<b>General and administration:</b>			
Payroll and related expenses	1,898	1,615	1,728
Professional services	76	186	329
Hosting	—	—	28
Depreciation and building maintenance	9	44	30
Share based compensation expenses	219	228	673
Other	832	500	468
	<u>3,034</u>	<u>2,573</u>	<u>3,256</u>
<b>Finance expenses</b>			
Convertible loans – fair value adjustment	—	—	750
Bank commissions	30	31	21
Exchange rates differences	5	74	22
Interest and finance charges for lease liabilities	145	220	47
Interest and finance charges for IIA loan	50	78	84
	<u>230</u>	<u>403</u>	<u>924</u>

	Year ended December 31		
	2020	2019	2018
	U.S dollars in thousands		
<b>Finance income:</b>			
Interest and finance income on deposit	14	110	—
Exchange rates differences	41	—	—
	55	110	—
	55	110	—

**NOTE 17 — TAXES ON INCOME:**

**a. Tax rates**

The Company and its subsidiaries are taxed under the domestic tax laws of the jurisdiction of incorporation of each entity.

The corporate tax rate under the Israeli law is 23% in 2018 and thereafter.

The corporate tax rate under the US law is 21% in 2018 and thereafter.

The corporate tax rate under the UK law is 19% in 2018 and thereafter.

**b. Carry forward losses**

Carry forward tax losses of the Company as of December 31, 2020, aggregate approximately \$25,000 thousand. The Company did not recognize a deferred tax asset in respect of those losses as no taxable income is probable in the foreseeable future.

**c. Tax assessment**

The Company's tax assessments up until the year 2015 are considered final.

**d. Numerical reconciliation of income tax expense to prima facie tax payable**

	Year ended December 31		
	2020	2019	2018
	U.S dollars in thousands		
Loss before tax on income	4,029	4,253	7,750
Statutory tax rate	23%	23%	23%
Tax benefit computed at the statutory tax rate	927	978	1,783
Adjustments:			
Increase in unrecognized tax losses in the year	(927)	(978)	(1,783)
Tax on income	—	—	—
	—	—	—

**NOTE 18 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES**

**a. The related parties:**

The Company's related parties are Ami Daniel and Matan Peled who founded Winward in 2010.

Ami serves as the CEO and director, Matan is the Co-Founder & Head of US business and director.

In addition, The Right, Honorable, The Lord Browne of Madingley ("The Lord Browne of Madingley") serves as the chairman of the board of directors of the Company.

b. Balances with related parties:

	December 31		
	2020	2019	2018
	<b>U.S dollars in thousands</b>		
Other accounts payable	149	200	88

c. Transactions with related parties:

	December 31		
	2020	2019	2018
	<b>U.S dollars in thousands</b>		
General and administrative expenses	637	585	445
Shared based compensation	44	111	599
	681	696	1,044

**NOTE 19 — EARNING PER SHARE**

a. Details of the number of shares and loss used in the computation of loss per share:

	Year ended December 31,					
	2020		2019		2018	
	Weighted number of shares (*) (**)	Loss attributable to equity holders of the Company	Weighted number of shares (*) (**)	Loss attributable to equity holders of the Company	Weighted number of shares (*) (**)	Loss attributable to equity holders of the Company
	In thousands	NIS in thousands	In thousands	NIS in thousands	In thousands	NIS in thousands
Number of shares and loss						
Loss of the year	7,690	(4,029)	7,591	(4,253)	7,124	(7,750)
Adjustment for cumulative preference shares	—	(1,209)	—	(1,209)	—	(997)
For the computation of basic loss	7,690	(5,238)	7,591	(5,462)	7,124	(8,747)

(\*) Adjusted to reflect shares splitting according to note 20(2).

(\*\*) The amount of ordinary shares used in calculating the loss per share includes potential ordinary shares resulting from a potential conversion of options with a negligible exercise price.

To compute diluted net loss per share, convertible securities (dilutive potential Ordinary shares options to employees under share-based payment plans), have not been taken into account since their conversion decreases the loss per share.

## NOTE 20 — SUBSEQUENT EVENTS

### 1. Shared based compensation

As of February 2021, the Company granted in total 626,000 share options to its employees. The total fair value of the share options is approximately \$266 thousand.

Most of the share options vest over a four-year period: 25% will vest at the first anniversary of the grant date and 6.25% will vest at the end of each quarter during the second, third and fourth years from the date of grant.

### 2. On June 1, 2021 the Company effected a 1:5 split of all of its shares, whether or not issued, by which each one (1) share of the Company, nominal value NIS 0.01, be split into five (5) shares of the Company, nominal value NIS 0.002 each (the "Split").

As a result, and in accordance with the Company's share options plan the number of Shares covered by each outstanding award, and the number of Shares which have been authorized for issuance under the plan but as to which no award has yet been granted or which have been returned to the pool upon cancellation or expiration of an Award, as well as the price per Share covered by each outstanding award, have been proportionately adjusted to reflect the Split.

Further, as a result an amendment and reclassification of share capital of the Company, such that following such amendment and reclassification and following the Split, the issued and outstanding share capital of the Company will be divided into:

- (i) 5,688,505 Ordinary Shares, nominal value NIS 0.002 each (the "Ordinary Shares").
- (ii) 3,036,300 Preferred A Shares, nominal value NIS 0.002 each.
- (iii) 3,331,305 Preferred B Shares, nominal value NIS 0.002 each.
- (iv) 2,413,050 Preferred B1 Shares, nominal value NIS 0.002 each.
- (v) 83,360 Preferred B2 Shares, nominal value NIS 0.002 each.
- (vi) 3,581,530 Preferred C Shares, nominal value NIS 0.002 each; and
- (vii) 1,716,710 Preferred C1 Shares, nominal value NIS 0.002 each, all as described in the Amended Articles.

### 3. Convertible Financing Agreement

On June 13, 2021 the Company entered into convertible financing agreement ("Agreement") with few investors. On the Initial Closing Date (as defined above), the Investors shall invest in the Company an amount of up to \$10,000 thousand (the "Maximum Investment Amount") in exchange for convertible equity. The Investment Amount shall be used by the Company for its day-to-day business activities, such as product development, marketing and other general corporate purposes, as determined by the Board of Directors of the Company (the "Board"). Until June 2021 the Company received \$2,800 thousand.

#### Conversion

Conversion Upon Financing. If and when the Company shall close an Equity Financing following Closing, at any time prior to December 31, 2022 (the "Due Date"), the outstanding Investment Amount shall be automatically converted, immediately prior and subject to the closing of the Equity Financing, into shares of the Company identical to those issued to the investors in such Equity Financing, at the Conversion PPS (as defined below); provided that, if as a result of such Conversion Upon Financing, XL Innovate Fund, LP's ("XL Innovate") total value or total voting share in the Company would exceed 9.9%, on an issued and outstanding, as-converted basis (the "XL Innovate Threshold"), such conversion of its convertible equity issued pursuant to this agreement shall be delayed until the earlier of: (i) 2 years from the date hereof; and (ii) at such time that the issuance of such Financing Securities would not cause XL Innovates holdings to exceed the XL Innovate Threshold.

The "Valuation Cap" shall be \$130,000 thousand.

An "Equity Financing" means an equity financing in which the Company issues any class of preferred shares with total proceeds of at least \$10,000 thousand, in addition to the Investment Amount.

The “Conversion PPS” means the lower of: (i) the product of 80% and the price per share of the Financing Securities or securities being issued in such Liquidation Event or IPO; and (ii) a price per share equal to the division of the Valuation Cap by the Company’s fully diluted share capital including, without limitation, all outstanding options, warrants and other convertible securities of the Company and any shares reserved by the Company’s board of directors for issuance under the Company’s stock option plan as of the date of such conversion (the “Fully Diluted Capitalization”).

#### Liquidation Event.

Notwithstanding anything to the contrary in this Section 3, if a Liquidation Event (as such terms are defined in Section 131.6 of the Company’s Articles of association (the “Articles”)) occurs prior to conversion of the Investment Amount (due to the occurrence of an IPO, Equity Financing, the Due Date or otherwise), then upon closing of the Liquidation Event, the Investment Amount shall be automatically converted, at the election of each Investor, into either (i) the highest class of shares issued at the time at a price per share equal to the valuation cap divided by the Company’s Fully Diluted Capitalization; or (ii) a new class of shares that shall secure a return to the Investors as part of the Liquidation Event, prior to and in preference to all other shareholders of the Company of an amount equal to 120% of the Investment Amount (provided that if the distributable proceeds at the Liquidation Event are insufficient to secure such return, all such distributable proceeds shall be distributed among the Investors *pro rata* to their share of the Investment Amount).

#### IPO

Notwithstanding anything to the contrary in this Section 3, if an IPO (as such term is defined in Section 1.20 of the Company’s Articles of Association (the “Articles”)) occurs prior to conversion of the Investment Amount (due to the occurrence of a liquidation event, equity financing, the due date or otherwise), then upon the closing of such IPO, the Investment Amount shall be automatically converted into Ordinary Shares of the Company, at a price per share equal to the Conversion PPS.

#### Automatic Due Date Conversion.

If no Equity Financing or liquidation event has occurred, the applicable portion of the Investment Amount shall be automatically converted at the Due Date into the highest class of shares issued at the time at a price per share equal to the Valuation cap divided by the Company’s Fully Diluted Capitalization; provided that, if as a result of such Automatic Due Date Conversion, XL Innovates total value or total voting share in the Company would exceed the XL Innovate Threshold, such conversion of its convertible equity issued pursuant to this Agreement shall be delayed until the earlier of: (i) 2 years from the date hereof; and (ii) at such time that such Automatic Due Date Conversion would not exceed the XL Innovate Threshold.

The Company classified the said convertible instrument as an equity instrument and recorded the total consideration received during the reporting period in the amount of approximately \$ 2,800 thousand directly to equity. Of this amount a total of approximately \$200 thousand was received from a related party.

#### 4. Credit line agreement

In October 2021, the Company signed a credit line agreement with a bank in Israel.

In accordance with the terms of the agreement, the credit line in the amount of NIS 14,700 thousand (\$4,500 thousand) will be set for a period of up to 12 months in dollars and/or ILS.

According to the agreement the credit line proceeds are given to the Company to finance committed monthly recurring revenues (hereinafter: “**MRR**”). The MRR will be defined as the Company’s Annual Contract Value divided by 12. The loans shall be provided on the basis of a multiplier of **3** on the MRR.

ILS loan – The loan shall be provided for a period of 30 days and shall automatically renew. The loan principal shall bear interest at a rate of **3%** per annum in excess of the “**Prime**” rate of interest (as of the date hereof: the interest is at a rate of **4.6%** per cent per annum). The interest on the principal shall be paid at the end of each month.

USD loan – The loan shall be provided for a period of 3 months. The loan principal shall bear interest at a rate of **4.7%** per annum in excess of LIBOR (as of the date of this letter: the interest is at a rate of **4.825%** per annum). The interest on the principal shall be paid at the end of each month.

The following pledges shall be created in favor of the Bank to secure the Credit:

1. A first-ranking floating charge, unlimited in amount, over all the property, assets and rights of the Company, and a fixed charge over the Company's unpaid share capital and goodwill.
2. A first-ranking fixed charge, unlimited in amount, over all the intellectual property owned by the Company.

The Company shall sign a letter of undertaking in favor of the Bank, which shall include, *inter alia*, the following undertakings: An undertaking to not create or permit to subsist any mortgage, pledge, encumbrance, attachment, lien, charge, assignment, hypothecation, security interest, title retention, preferential right, trust arrangement, other agreement or arrangement or other third party and/or legal entity right the effect of any of which is the creation of security over any assets, moneys, revenues, and any other rights (including intellectual property rights) of any Subsidiary of the Company incorporated abroad, with the exception of specific pledges over sums of money held in monetary deposits with banking institutions for the purpose of customers contract guarantees. An undertaking for quarterly growth in MRR at an aggregate quarterly rate of 2.5% for the last 4 quarters and not less than 10% per calendar annum. The foregoing shall be examined each calendar quarter.

The Company shall maintain an AQR of at least 1.3. The AQR is defined as "Quick Ratio" means the ratio of Liquidity to Current Liabilities "Liquidity" means the aggregate amount of: (a) the unrestricted and unsecured cash held by the Company and the Company's US and UK subsidiaries at any time; and (b) the pending accounts receivable of the Company and the Company's US subsidiary at any time. "Current Liabilities" means (a) short-term financial liabilities that are repayable within a year at any time, less (b) the pending deferred revenues of the Company and the Company's US and UK subsidiaries at any time. For the avoidance of doubt, current maturities (up to 12-month) of long-term loans will be deemed to be Current Liabilities for the purpose of this letter. The foregoing shall be examined each calendar month.

## SECTION C – UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021 and 2020

	Note	Six months ended	
		June-30	
		Unaudited 2021	Unaudited 2020
		U.S. dollars in thousands	
<b>REVENUES</b>	5	8,089	7,109
<b>COST OF REVENUES</b>		2,226	1,346
<b>GROSS PROFIT</b>		5,863	5,763
<b>OPERATING EXPENSES:</b>			
Research and development, net		4,069	2,817
Sales and marketing		4,351	2,913
General and administration		1,354	1,463
<b>TOTAL OPERATING EXPENSES</b>		9,774	7,193
<b>OPERATING LOSS</b>		(3,911)	(1,430)
<b>FINANCIAL EXPENSES</b>			
Financial expenses		134	191
Financial income		4	88
Total financial expenses, net		130	103
<b>LOSS FOR THE PERIOD</b>		(4,041)	(1,533)
<b>Loss per share attributable to the ordinary equity holders of the Company:</b>			
Basic and diluted loss per share*		(0.59)	(0.28)

\* After retrospective application due to share split (See note 6(2)).

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**As of 30 June 2021, and 2020**

	June 30		December 31
	2021	2020	2020
	Unaudited	Unaudited	Audited
	U.S. dollars in thousands		
<b>Assets</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	6,032	8,837	9,914
Trade receivables	1,197	1,291	554
Other receivables	770	592	1,193
<b>TOTAL CURRENT ASSETS</b>	<b>7,999</b>	<b>10,720</b>	<b>11,661</b>
<b>NON-CURRENT ASSETS:</b>			
Restricted deposit	1,109	1,164	1,011
Property and equipment, net	863	865	860
Right-of-Use asset	579	966	773
	2,551	2,995	2,644
<b>TOTAL ASSETS</b>	<b>10,550</b>	<b>13,715</b>	<b>14,305</b>
<b>Liabilities and shareholders' equity</b>			
<b>CURRENT LIABILITIES:</b>			
Trade payable	319	546	634
Israel Innovation Authority loan	103	213	96
Current maturities of lease liabilities	476	405	465
Other payable	2,540	1,757	2,505
Deferred revenues	3,735	3,615	6,054
<b>TOTAL CURRENT LIABILITIES</b>	<b>7,173</b>	<b>6,536</b>	<b>9,754</b>
<b>NON-CURRENT LIABILITIES:</b>			
Deferred revenues	96	—	
Liability for employee rights upon retirement, net	89	84	90
Israel Innovation Authority loan	—	81	—
Lease liability	266	708	520
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>451</b>	<b>873</b>	<b>610</b>
<b>TOTAL LIABILITIES</b>	<b>7,624</b>	<b>7,409</b>	<b>10,364</b>
<b>SHAREHOLDERS' EQUITY:</b>			
Ordinary Shares of 0.002 NIS par value	6	6	6
Preferred Shares of 0.002 NIS par value	8	8	8
Additional paid-in capital	43,187	40,030	40,161
Accumulated deficit	(40,275)	(33,738)	(36,234)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>2,926</b>	<b>6,306</b>	<b>3,941</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>10,550</b>	<b>13,715</b>	<b>14,305</b>

	Ordinary shares	Preferred shares	Additional paid- in capital	Accumulated deficit	Total
U.S. dollars in thousands					
<b>BALANCE AS OF JANUARY 1, 2020 (Audited)</b>	<b>6</b>	<b>8</b>	<b>39,763</b>	<b>(32,205)</b>	<b>7,572</b>
Exercise of options by employees	—	—	11	—	11
Share based compensation	—	—	256	—	256
Loss for the period	—	—	—	(1,533)	(1,533)
<b>BALANCE AS OF JUNE 30, 2020</b>	<b>6</b>	<b>8</b>	<b>40,030</b>	<b>(33,738)</b>	<b>6,306</b>

	Ordinary shares	Preferred shares	Additional paid- in capital	Accumulated deficit	Total
U.S. dollars in thousands					
<b>BALANCE AS OF JANUARY 1, 2021 (Audited)</b>	<b>6</b>	<b>8</b>	<b>40,161</b>	<b>(36,234)</b>	<b>3,941</b>
Exercise of options by employees	—	—	43	—	43
Issuance of convertible financing agreement	—	—	2,800	—	2,800
Share based compensation	—	—	183	—	183
Loss for the period	—	—	—	(4,041)	(4,041)
<b>BALANCE AS OF JUNE 30, 2021</b>	<b>6</b>	<b>8</b>	<b>43,187</b>	<b>(40,275)</b>	<b>2,926</b>

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**For the six months ended 30 June 2021 and 2020**

	Six months ended	
	June-30	
	Unaudited 2020	Unaudited 2021
	U.S. dollars in thousands	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Loss for the period</b>	<b>(4,041)</b>	<b>(1,533)</b>
Adjustments to reconcile loss for the period to net cash used in operating activities:		
Depreciation	294	284
Share based compensation expenses	183	256
Effect of exchange rate	(29)	(90)
Finance expenses of lease liabilities	16	40
Finance expenses of liability due to Israel Innovation Authority loan	7	35
Changes in asset and liability items:		
Increase in trade receivables	(642)	(17)
Increase in other receivables	423	104
Increase (decrease) in trade payables	(317)	94
Increase in other payables and accruals	33	(446)
Decrease in deferred revenues	(2,219)	(2,368)
Decrease in liability for employee right upon retirement, net	(1)	—
<b>Net cash used in operating activities</b>	<b>(6,293)</b>	<b>(3,641)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(103)	(28)
Increase in restricted deposit	(105)	(161)
<b>Net cash used in investing activities</b>	<b>(208)</b>	<b>(189)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from exercise of options	43	11
Proceed from convertible loan agreement	2,800	—
Repayment of Israel Innovation Authority loan	—	(180)
Principal elements of lease payments	(224)	(183)
Interest paid	(35)	(52)
<b>Net cash provided by (used in) financing activities</b>	<b>2,584</b>	<b>(404)</b>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(3,917)</b>	<b>(4,234)</b>
<b>BALANCE OF CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>9,914</b>	<b>12,980</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>35</b>	<b>91</b>
<b>BALANCE OF CASH AND CASH EQUIVALENTS AT END OF THE PERIOD.</b>	<b>6,032</b>	<b>8,837</b>

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### NOTE 1 — GENERAL INFORMATION

- a. Windward Ltd. (the “Company” or and its subsidiaries the “Group”) was incorporated in Israel and commenced its operations in January 2010. The registered office of the Company is Ha-Shlosha St 2, Tel Aviv-Yafo, Israel. The Company is engaged in marine analytics and in developing a unique technology for analyzing and organizing the world’s maritime information. During 2016, the Company established a wholly owned subsidiary in the United Kingdom, which provides fronting services to the Company. During 2018, the Company established two wholly owned subsidiaries in the United Kingdom and the United States, that provide sales and marketing services to the Company.
- b. Since its inception, the Company has accumulated losses from its business operations and has generated negative cash flows from operating activities. As of December 31, 2020, the Company has incurred an accumulated loss in the amount of approximately \$35,726 thousand. The Company also has a negative cash flow from operating activities in the years ended December 31, 2020, 2019 and 2018 in the amount of approximately \$2,158 thousand, \$1,999 thousand and \$2,186 thousand, respectively. In addition, the Company has positive capital and positive working capital as of December 31, 2020 in the amount of approximately \$3,941 thousand and in the amount of approximately \$1,907 thousand, respectively.

The Company plans to continue to finance its operations from its current resources and raising funds from existing or new investors. On June 13, 2021 the Company entered into a Convertible financing agreement with a few investors (the-“Investors”). On the Initial Closing Date, as defined in the agreement, the Investors shall invest in the Company an amount of up to \$10,000 thousand. As of the approval of these financial statements the Company received approximately \$3,300 thousand. Also, in 2021 the Company is preparing to raise funds through an IPO in the London capital markets (AIM market).

In October 2021 the Company entered into an agreement with Israeli Bank under which the bank agrees to provide a credit line for 12 months up to 14,700 thousand NIS (\$4,500 thousand) subject to the Company’s compliance with certain conditions as defined in the agreements.

Management believes that its current resources, together with its existing operating plan, are sufficient for the Company to meet its obligations as they come due at least for a period of twelve months from the date of the issuance of these consolidated financial statements. There are no assurances, however, that the Company will be able to obtain an adequate level of financial resources that are required for the Company’s long-term operations.

- c. As of the date of this report, the coronavirus (COVID-19) continues to spread in various locations around the world, however, it appears to be declining in Israel as a result of a large number of vaccinated individuals. The outbreak of the virus – including all its health, social and economic implications and consequences – has led to a global crisis.

Since the coronavirus outbreak, many countries have taken various measures to block and curb its spread, including by imposing closure on infected areas, closing their borders (both aerial and land), imposing restrictions on movement and work, and issuing home isolation orders to sections of their populations. During 2020, as part of the measures taken in Israel, restrictions were imposed on public and private sector activities, which were scaled down, mainly in terms of the number of employees allowed to enter their places of work and closure of workplaces in various sectors, as well as restrictions placed on residents and tourists.

As of the report date, the duration of the crisis and its full impact on business activity in Israel and around the world cannot be predicted. The Company’s management is of the opinion that the impact of coronavirus crisis has led to slowdown in sales process in all territories, mostly EU, India and Gulf Cooperation Council (GCC). During 2020, the Company’s management took the following actions to deal with the corona virus crisis: All employees worked from home, there was no material effect on productivity and they released few people (layoffs or unpaid leave) mainly in sales and marketing.

As of the report approval date, flights resumed to and from the Company’s countries of operation.

As of the report approval date, the Company believes that its ability to raise funds was not compromised by the coronavirus crisis. The Company's management continuously monitors and examines the various aspects of the effects of the coronavirus crisis and acts, whenever necessary, to make needed adjustments in order to minimize exposure for the Company's activities and performance.

As of the report approval date, and in light of the fact that this is a dynamic event characterized by substantial uncertainty, the extent of the crisis' effect on the Company's future operations depends on the extent of the materialization of various variables in Israel and around the world (such as the spread of the virus, the government's actions, the economy's response, the global economic situation, etc.). The Company is of the opinion that if the spread of the coronavirus will worsen over time, its consequences could have adverse effects for the global and Israeli economy.

#### **BASIS OF PREPARATION**

- a. This unaudited condensed consolidated interim financial information for the six months ended 30 June 2021 has been prepared in accordance with the requirements of the AIM Rules and in accordance with IAS 34 'Interim Financial Reporting'. It does not include all the information required by International Financial Reporting Standards ("IFRS") in full annual financial statements and should therefore be read in conjunction with the historical financial information set out in Section B of Part III of this document.
- b. The condensed consolidated interim financial information for the six months ended 30 June 2021 and the comparative figures for the six months ended 30 June 2020 are unaudited. The figures for the year ended 31 December 2020 have been extracted from the historical consolidated financial information set out in Section B of Part III of this document.
- c. The accounting policies adopted are consistent with those of the previous financial year.

#### **NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES**

##### **SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS**

The preparation of financial information in accordance with IFRS requires the use of estimates and assumptions to be made in applying the accounting policies that affect the reported amounts of assets, liabilities, revenue and expenses and the disclosure of contingent assets and liabilities.

The estimates and related assumptions are based on previous experiences and other factors considered reasonable under the circumstances, the results of which form the basis for making the assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

#### **NOTE 3 — FINANCIAL INSTRUMENTS – FAIR VALUE**

The management believes that the carrying amount of cash, short-term deposits, trade receivables, restricted deposits trade payables and other current liabilities approximate their fair value due to the short-term maturities of these instruments.

#### **NOTE 4 — SHARE BASED COMPENSATION**

As of February 2021, the Company granted in total 626,000 share options to its employees. The total fair value of the 626,000 share options is approximately \$266,000.

Most of the share options vest over a four years period: 25% will vest at the first anniversary of the grant date and 6.25% will vest at the end of each quarter during the second, third and fourth years from the date of grant.

The fair value of the options is estimated by an independent external appraisal and calculated using the Black – Scholes option-pricing model.

The main the assumptions used to value options granted are the company's price per ordinary share of \$4.76 (\$0.952 after share split, See also note 6 (2)), risk-free interest rate 1.29%, volatility 33.81%, dividend yield 0% and expected term (in years) 10 years.

**NOTE 5 — REVENUES FROM CONTRACT WITH CUSTOMERS:**

The Group derives revenue from the transfer of services over time in the following major customer types and geographical regions:

	<b>Six months ended Jun-30</b>	
	<b>2021</b>	<b>2020</b>
	<b>U.S. dollars in thousands</b>	
<b>a. Customer types:</b>		
Governments	6,466	6,195
Commercials	1,623	914
	<u>8,089</u>	<u>7,109</u>
<b>b. Geographical regions:</b>		
Israel	249	274
USA	1,499	785
APAC (Asia-Pacific Countries)	1,540	1,929
Europe	2,924	1,864
Gulf Cooperation Council (GCC) & Africa	1,780	2,244
South/Latin America	97	13
	<u>8,089</u>	<u>7,109</u>

**NOTE 6 — SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD**

- As of February 2021, the Company granted in total 626 thousand share options to its employees. The total fair value of the share options is approximately \$266 thousand. See also note 4.
- On June 1, 2021 the Company effected a 1:5 split of all of its shares, whether or not issued, by which each one (1) share of the Company, nominal value NIS 0.01, split into five (5) shares of the Company, nominal value NIS 0.002 each (the "Split").

As a result, and in accordance with the Company's shares options plan the number of Shares covered by each outstanding share award, and the number of Shares which have been authorized for issuance under the plan but as to which no awards has yet been granted or which have been returned to the pool upon cancellation or expiration of an award, as well as the price per Share covered by each outstanding award, have been proportionately adjusted to reflect the Split.

Further, as a result of an amendment and reclassification of the share capital of the Company, such that following such amendment and reclassification and following the Split, the issued and outstanding share capital of the Company is divided into:

- (i) 5,688,505 Ordinary Shares, nominal value NIS 0.002 each (the "Ordinary Shares").
- (ii) 3,036,300 Preferred A Shares, nominal value NIS 0.002 each.
- (iii) 3,331,305 Preferred B Shares, nominal value NIS 0.002 each.
- (iv) 2,413,050 Preferred B1 Shares, nominal value NIS 0.002 each.
- (v) 83,360 Preferred B2 Shares, nominal value NIS 0.002 each.
- (vi) 3,581,530 Preferred C Shares, nominal value NIS 0.002 each; and

(vii) 1,716,710 Preferred C1 Shares, nominal value NIS 0.002 each, all as described in the Amended Articles (the- "Company's article of association").

The number of shares used in the calculation of loss per share is adjusted to reflect the Split.

### 3. Convertible Financing Agreement

On June 13, 2021 the Company entered into a convertible financing agreement ("Agreement") with a few investors (the- "Investor"). The Investors shall invest in the Company an amount of up to \$10,000 thousand (the "Maximum Investment Amount") in exchange for convertible equity. The Investment Amount shall be used by the Company for its day-to-day business activities, such as product development, marketing and other general corporate purposes, as determined by the Board of Directors of the Company (the "Board"). Until June 30, 2021 the Company has received \$2,800 thousand.

#### Conversion

If and when the Company shall close an Equity Financing , at any time prior to December 31, 2022 (the "Due Date"), the outstanding Investment Amount shall be automatically converted, immediately prior and subject to the closing of the Equity Financing, into shares of the Company identical to those issued to the investors in such Equity Financing, at the Conversion PPS (as defined below); provided that, if as a result of such conversion upon financing, XL Innovate Fund, LP's ("XL Innovate") total value or total voting share in the Company would exceed 9.9%, on an issued and outstanding, as-converted basis (the "XL Innovate Threshold"), such conversion of its convertible equity issued pursuant to this agreement shall be delayed until the earlier of: (i) 2 years from the date hereof; and (ii) at such time that the issuance of such financing securities would not cause XL Innovates holdings to exceed the XL Innovate Threshold.

The "Valuation Cap" shall be \$130,000,000.

An "Equity Financing" means an equity financing in which the Company issues any class of preferred shares with total proceeds of at least \$10,000,000, in addition to the Investment Amount.

The "Conversion PPS" means the lower of:

- (i) the product of 80% and the price per share of the financing securities or securities being issued in such Liquidation Event or IPO; and
- (ii) a price per share equal to the division of the Valuation Cap by the Company's fully diluted share capital including, without limitation, all outstanding options, warrants and other convertible securities of the Company and any shares reserved by the Company's board of directors for issuance under the Company's stock option plan as of the date of such conversion (the "Fully Diluted Capitalization").

#### Liquidation Event.

Notwithstanding anything to the contrary, if a Liquidation Event (as such terms are defined in the Company's articles of association (the "Articles")) occurs prior to conversion of the Investment Amount (due to the occurrence of an IPO, Equity Financing, the Due Date or otherwise), then upon closing of the Liquidation Event, the Investment Amount shall be automatically converted, at the election of each Investor, into either (i) the highest class of shares issued at the time at a price per share equal to the Valuation Cap divided by the Company's Fully Diluted Capitalization; or (ii) a new class of shares that shall secure a return to the Investors as part of the Liquidation Event, prior to and in preference to all other shareholders of the Company of an amount equal to 120% of the Investment Amount (provided that if the distributable proceeds at the Liquidation Event are insufficient to secure such return, all such distributable proceeds shall be distributed among the Investors *pro rata* to their share of the Investment Amount).

#### IPO

Notwithstanding anything to the contrary in this Section 3, if an IPO (as such term is defined in the Company's Articles) occurs prior to conversion of the Investment Amount (due to the occurrence of a Liquidation Event, Equity Financing, the Due Date or otherwise), then upon the closing of such IPO, the Investment Amount shall be automatically converted into Ordinary Shares of the Company, at a price per share equal to the Conversion PPS.

#### Automatic Due Date Conversion

If no Equity Financing or Liquidation Event has occurred, the applicable portion of the Investment Amount shall be automatically converted at the Due Date into the highest class of shares issued at the time at a price per share equal to the Valuation Cap divided by the Company's Fully Diluted Capitalization; provided that, if as a result of such Automatic Due Date Conversion, XL Innovate's total value or total voting share in the Company would exceed the XL Innovate Threshold, such conversion of its convertible equity issued pursuant to this Agreement shall be delayed until the earlier of: (i) 2 years from the date hereof; and (ii) at such time that such Automatic Due Date Conversion would not exceed the XL Innovate Threshold.

The Company classified the said convertible instrument as an equity instrument and recorded the total consideration received during the reporting period in the amount of approximately \$ 2,800 thousand directly to equity. Of this amount a total of approximately \$200 thousand was received from a related party.

4. In October 2021, the Company signed a credit line agreement with a bank in Israel (the "Agreement").

In accordance with the terms of the Agreement, the credit line in the amount of NIS14,700 thousand (\$4,500 thousand) will be set for a period of up to 12 months in dollars and/or ILS.

According to the Agreement the credit line proceeds given to the Company to finance committed monthly recurring revenues (hereinafter: "MRR"). The MRR will be defined as the Company's Annual Contract Value divided by 12. The loans shall be provided on the basis of a multiplier of 3 on the MRR.

ILS loan – The loan shall be provided for a period of 30 days and shall automatically renew. The loan principal shall bear interest at a rate of 3% per annum in excess of the "Prime" rate of interest (as of the date hereof: the interest rate is at a rate of 4.6% per cent per annum). The interest on the principal shall be paid at the end of each month.

USD loan – The loan shall be provided for a period of 3 months. The loan principal shall bear interest at a rate of 4.7% per annum in excess of LIBOR (as of the date of this letter: the interest rate is at a rate of 4.825% per annum). The interest on the principal shall be paid at the end of each month.

The following pledges shall be created in favor of the bank to secure the credit line:

- a. A first-ranking floating charge, unlimited in amount, over all of the property, assets and rights of the Company, and a fixed charge over the Company's unpaid share capital and goodwill.
- b. A first-ranking fixed charge, unlimited in amount, over all the intellectual property owned by the Company.

The Company shall sign a letter of undertaking in favor of the bank, which shall include, *inter alia*, the following undertakings:

An undertaking to not create or permit to subsist any mortgage, pledge, encumbrance, attachment, lien, charge, assignment, hypothecation, security interest, title retention, preferential right, trust arrangement, other agreement or arrangement or other third party and/or legal entity right the effect of any of which is the creation of security over any assets, moneys, revenues, and any other rights (including intellectual property rights) of any Subsidiary of the Company incorporated abroad, with the exception of specific pledges over sums of money held in monetary deposits with banking institutions for the purpose of customers contract guarantees.

An undertaking for quarterly growth in MRR at an aggregate quarterly rate of 2.5% for the last 4 quarters and not less than 10% per calendar annum. The foregoing shall be examined each calendar quarter.

Maintain an AQR of at least 1.3.

The AQR is defined as "Quick Ratio" means the ratio of Liquidity to Current Liabilities "Liquidity" means the aggregate amount of: (a) the unrestricted and unsecured cash held by the Company and the Company's US and UK subsidiaries at any time; and (b) the pending accounts receivable of the Company and the Company's US subsidiary at any time.

“Current Liabilities” means (a) short-term financial liabilities that are repayable within a year at any time, less (b) the pending deferred revenues of the Company and the Company’s US and UK subsidiaries at any time. For the avoidance of doubt, current maturities (up to 12-month) of long-term loans will be deemed to be Current Liabilities for the purpose of the Agreement. The foregoing shall be examined each calendar month.

## Part IV

### ADDITIONAL INFORMATION

#### 1. RESPONSIBILITY

- 1.1 The Directors, whose names are set out on page 12 of this document, and the Company, accept responsibility, both individually and collectively, for the information contained in this document. To the best of the knowledge of the Directors and the Company, the information contained in this document is in accordance with the facts and makes no omission likely to affect the import of such information.

#### 2. THE COMPANY

- 2.1 The Company was incorporated and registered in Israel on 13 January 2010 under the Companies Law as a private limited company with registration number 514386903.
- 2.2 The liability of the Company's members is limited to the amount, if any, unpaid on the Ordinary Shares respectively held by them.
- 2.3 The Company is governed by, and its securities were created under, the Companies Law and the regulations made thereunder. As a publicly traded company the Company will also be subject to the Securities Law.
- 2.4 The Company's registered office and principal place of business is located at 2 Hashlosha St., Tel Aviv – Jaffa, Zip Code 6706054. The Company's telephone number is +972 50 3332566.
- 2.5 The Company's website for the disclosure of information required by Rule 26 of the AIM Rules for Companies is [windward.ai](http://windward.ai).
- 2.6 The Company has no administrative, management or supervisory bodies other than the Board, the Remuneration Committee, the Audit Committee and the Nominations Committee.
- 2.7 The Company's principal activity following Admission will be to act as a trading business, with the principal business of Windward being the development, maintenance and management of Windward's AI decision support platform, and to hold the Company's subsidiaries, as stated in paragraph 3.1 below.

#### 3. THE WINDWARD GROUP

- 3.1 The Company has the following wholly owned subsidiaries:

Name	Country of incorporation	Date of Incorporation	Issued share capital	Activity
Windward Marine Risk (UK) Ltd.	England and Wales	31 July 2018	1 ordinary share of £1	Trading entity
Ocean Tech Solutions Ltd.	England and Wales	10 November 2016	1 ordinary share of £1	Trading entity
Windward US, Inc.	State of Delaware	1 August 2018	100 Shares of Common Stock	Trading entity

- 3.2 Except as stated in this paragraph 3, the Company does not have, nor has it taken any action to acquire, any significant investments.

#### 4. SHARE CAPITAL

##### *History of share capital*

- 4.1 The Company was incorporated with 10,000,000 ordinary shares of NIS 0.01 each ("Original Ordinary Shares"), 300,000 of which were issued upon incorporation.
- 4.2 At the start of the period covered by the Historical Financial Information, the Company had issued 1,022,318 Ordinary Shares, 607,260 preferred A shares of NIS 0.01, 666,261 preferred B shares of NIS 0.01 each, and 482,610 preferred B 1 shares of NIS 0.01.

- 4.3 During the period covered by the Historical Financial Information and up to the date of this document, the Company has allotted and issued the following:
- (a) 16,672 preferred B2 shares of NIS 0.01 each between February and April 2018 to certain investors, pursuant to the terms of an exclusive convertible financing subscription agreement originally dated 16 February 2016;
  - (b) 716,306 preferred C shares of NIS 0.01 each on 27 June 2018 to certain investors, some which were issued pursuant to the terms of a share purchase agreement entered into in June 2018, and some which were pursuant to the conversion of a convertible financing subscription agreement originally dated 13 May 2018; and
  - (c) 343,342 preferred C1 shares of NIS 0.01 each on 27 June 2018 to certain investors, pursuant, among others, to the terms of an exclusive convertible financing subscription agreement dated 23 February 2016 and an exclusive convertible financing subscription agreement dated 16 October 2016.
- 4.4 On 12 June 2018, the Company reserved a pool of up to 203,442 Original Ordinary Shares for potential future grant of options to its founders, subject to adjustment according to the terms of such approval. The Company's Board approved the issuance of such options to purchase Original Ordinary Shares on 26 October 2021, which, following the Share Split and adjustment mechanism resulted in options to purchase an aggregate of 562,190 Ordinary Shares, subject to the receipt of the approval of the Company's shareholders.
- 4.5 On 1 June 2021, the shareholders of the Company resolved to split all shares of the Company, whether issued or to be issued, at a ratio of 1:5, so that each share of the Company, having nominal value of NIS 0.01, be split into five shares of the Company of the same class, having a nominal value of NIS 0.002 each ("**Share Split**").
- 4.6 In addition, from time to time during the period covered by the Historical Financial Information, the Company's employees and service providers exercised options for an aggregate of 117,802 Ordinary Shares, having a nominal value of NIS 0.01.

*Existing share capital and authority to issue shares*

- 4.7 The issued, fully paid, share capital of the Company as at 28 November 2021 prior to the Share Capital Reorganisation (being the latest practicable date before publication of this document), was as follows:

	<u>Number</u>	<u>Nominal Value</u>
Ordinary Shares	5,707,930	NIS 0.002
Preferred A shares	3,036,300	NIS 0.002
Preferred B shares	3,331,305	NIS 0.002
Preferred B1 Shares	2,413,050	NIS 0.002
Preferred B2 Shares	83,360	NIS 0.002
Preferred C Shares	3,581,530	NIS 0.002
Preferred C1 Shares	1,716,710	NIS 0.002

- 4.8 The Existing Articles, in keeping with the Companies Law, do not place any limit on the ability of the Company's shareholders to increase the authorised share capital, (except an increase of the authorised number of preferred C share or preferred C1 shares). Under the Existing Articles, however, the Board may only issue shares in compliance with pre-emption rights held by any holder of more than five per cent. of the issued and outstanding share capital of the Company on an as-converted basis, unless such pre-emption rights are disapplied in respect of a proposed issue of shares. The New Articles, which the Company's shareholders have resolved to adopt effective immediately prior to Admission, contain no such restrictions except for pre-emptive rights for the holders of Ordinary Shares. In addition, as at the date of this document, XL Innovate has certain specific pre-emption rights under the Series C and Series C1 Preferred Share Purchase Agreement, which XL Innovate has

agreed to irrevocably waive as part of the Share Capital Reorganisation, effective immediately prior to Admission. Further detail on the Share Capital Reorganisation and the New Articles is set out in paragraphs 4.9 and 8 of this Part IV.

- 4.9 On 25 November 2021, the Company's shareholders passed a special resolution authorising the Directors to (i) allot the New Shares without regard to pre-emption rights, (ii) from Admission, allot new Ordinary Shares representing up to 10 per cent of the Company's issued share capital as at the date of Admission, such authority to expire fifteen months from the date of passing this resolution or, if earlier, the date of the Company's annual general meeting in 2022 and (iii) issue the equity securities contemplated in each Non-Executive Directors' letters of appointment, without regard to pre-emption rights.

#### *Share Capital Reorganisation*

- 4.10 On 25 November 2021, in preparation for Admission, the Company's shareholders approved a share capital reorganisation ("**Share Capital Reorganisation**"), pursuant to which:
- (a) the existing shares of each class other than the Ordinary Shares will be converted into Ordinary Shares, following which all classes of shares in the Company other than Ordinary Shares will cease to exist;
  - (b) the New Articles will be adopted and will replace the Existing Articles in their entirety;
  - (c) rights attaching to any class of shares other than Ordinary Shares and rights granted to existing investors in the Company prior to the date of this document will either lapse or be waived by the existing investors;
  - (d) following the conversion of shares described above, the Company will issue bonus shares, in the amount of two Ordinary Shares for each Ordinary Share then in issue and outstanding, as detailed in paragraph 4.10(c) below.

The Share Capital Reorganisation will take effect immediately prior to Admission.

- 4.11 The following ordinary and special resolutions, and resolutions of holders of each class of the Company's shares, were passed on 25 November 2021 to effect the Share Capital Reorganisation, which comprises the following steps, to be taken in the order set out below:
- (a) the preferred A shares, preferred B shares, preferred B1 shares, preferred B2 shares, preferred C shares and preferred C1 shares in the capital of the Company will each convert into a single class of Ordinary Shares. The aggregate number of Ordinary Shares resulting from such conversion will be 14,300,405;
  - (b) following the conversion of all outstanding preferred shares into Ordinary Shares as set out in paragraph (a) above, the Company's registered share capital will be increased to NIS 300,000, divided into 150,000 Ordinary Shares; and
  - (c) following the increase of the Company's registered share capital as set out in paragraph (b) above becoming effective, but immediately prior to Admission, the Company will issue two Ordinary Shares for each Ordinary Share held by a shareholder by way of a bonus issue, with adjustments being made to all of the Company's outstanding options and warrants.

- 4.12 On completion of the Share Capital Reorganisation, the Existing Ordinary Shares immediately prior to Admission, will be as follows:

	<u>Number</u>	<u>Nominal Value</u>
Ordinary Shares	62,646,066	NIS 0.002

Further detail on significant shareholders of the Company is set out in paragraph 10.3 of this Part IV.

*Dilution and share capital on Admission*

- 4.13 On Admission, the Placing of new Ordinary Shares and 2,035,317 new Ordinary Shares resulting from the conversion of the Current CFA, resulting in an increase in share capital of 18,991,572 which is 23.3 per cent. of the Enlarged Share Capital.

- 4.14 Assuming completion of the Placing, the issued, fully paid, share capital of the Company, immediately following Admission, is expected to be as follows:

	<u>Number</u>	<u>Nominal Value</u>
Ordinary Shares	81,637,638	NIS 0.002

*Options and convertible instruments*

- 4.15 The Company has granted options over Ordinary Shares to current and former employees and service providers which remain outstanding, as follows (prior to Admission and the exercise of Options relating to the Option Sale Shares and the 64,452 Ordinary Shares arising from the exercise of Options that are not part of the Option Sale Shares):

<u>Date of grant</u>	<u>Exercise price in US\$ (Following the Share Capital Reorganisation)</u>	<u>Exercise conditions</u>	<u>Lapse date</u>	<u>Aggregate number of outstanding unexercised options (Following the Share Capital Reorganisation)</u>
22 February 2018	0.5196	Vesting schedule 1	Standard Lapse Terms	49,980
28 May 2018	0.588	Vesting schedule 1	Standard Lapse Terms	—
25 September – 24 October 2018	0.30066667	Vesting Schedule 2	Standard Lapse Terms	524,625
14 November 2018	0.30066667	Vesting Schedule 3	Standard Lapse Terms, but all vested options remain exercisable for seven years from the applicable vesting commencement date. In the event of termination for cause, all options will expire immediately.	—
14 November 2018	0.30066667	Vesting Schedule 2	Standard Lapse Terms	451,575
27 February 2019	0.30066667	Vesting Schedule 4	Standard Lapse Terms, but the grantee has two years from the date of termination of his	—

<u>Date of grant</u>	<u>Exercise price in US\$ (Following the Share Capital Reorganisation)</u>	<u>Exercise conditions</u>	<u>Lapse date</u>	<u>Aggregate number of outstanding unexercised options (Following the Share Capital Reorganisation)</u>
			engagement with the Company to exercise such options which have vested prior to the date of termination.	
5 May 2019	0.300666667	Vesting Schedule 2	Standard Lapse Terms	225,000
21 May 2019	0.300666667	Vesting Schedule 5	Standard Lapse Terms	225,000
30 July 2019	0.300666667	Vesting Schedule 4	The grantee has two years from the date of termination of his engagement with the Company to exercise such options which have vested prior to the date of termination.	17,970
7 October – 13 November 2019	0.335333333	Vesting Schedule 2	Standard Lapse Terms	851,115
10 March 2020	0.335333333	Vesting Schedule 2	Standard Lapse Terms	559,500
10 March 2020	0.335333333	Vesting Schedule 4	The grantee has two years from the date of termination of his engagement with the Company to exercise such options which have vested prior to that date.	—
10 March 2020	0.335333333	Vesting Schedule 6	Standard Lapse Terms	71,865
4 September 2020	0.335333333	Vesting Schedule 2	Standard Lapse Terms	598,200
4 September 2020	0.335333333	The options vest monthly over a period of three years.	Standard Lapse Terms	107,790
18 February 2021	0.317333333	Fully vested	31 January 2022	—
18 February 2021	0.317333333	Vesting Schedule 2	Standard Lapse Terms	1,608,000
9 June 2021	0.317333333	Vesting Schedule 5	Standard Lapse Terms	—
27 June – 2 August 2021	0.317333333	Vesting Schedule 2	Standard Lapse Terms	1,516,500

<u>Date of grant</u>	<u>Exercise price in US\$ (Following the Share Capital Reorganisation)</u>	<u>Exercise conditions</u>	<u>Lapse date</u>	<u>Aggregate number of outstanding unexercised options (Following the Share Capital Reorganisation)</u>
2 August 2021	0.317333333	1,250 options vest each calendar month.	Standard Lapse Terms	90,000
11 November 21	0.317333333	Vesting Schedule 1	Standard Lapse Terms	594,000
11 November 21	0.317333333	Vesting Schedule 7	Standard Lapse Terms	73,125
			<b>Total:</b>	<b>7,564,245</b>

Notes:

<sup>1</sup> “**Vesting Schedule 1**” provides for vesting over a period of five years from the vesting commencement date (which varies between the individual grantees), with 20 per cent. of the options vesting on the first anniversary of vesting commencement date, and the remainder vesting in 16 equal portions every three months, over the remaining 48 months’ period.

<sup>2</sup> “**Vesting Schedule 2**” provides for vesting over a total period of four years from the vesting commencement date (which varies between the individual grantees), with 25 per cent. of the options vesting on the first anniversary of the vesting commencement date, and the remainder vesting in 12 equal portions every three months, over the remaining 36 months’ period.

<sup>3</sup> “**Vesting Schedule 3**” provides for vesting over a total period of two years from the vesting commencement date (which varies between the individual grantees) in 8 equal portions every three months.

<sup>4</sup> “**Vesting Schedule 4**” provides for vesting over a period of two years from the vesting commencement date (which varies between the individual grantees), in 24 equal portions, each vesting at the end of each month.

<sup>5</sup> “**Vesting Schedule 5**” provides for vesting over a period of three years from the vesting commencement date (which varies between the individual grantees), in 36 equal portions, each vesting at the end of each month.

<sup>6</sup> “**Vesting Schedule 6**” provides for vesting over a total period of three years as of the vesting commencement date (which varies between the individual grantees), with 1/3 of the options vesting on the first anniversary of the vesting commencement date, and the remainder vesting in 8 equal portions every 3 months, over the remaining 24 months’ period.

<sup>7</sup> “**Vesting Schedule 7**” provides for vesting over a total period of three years as of the vesting commencement date with 4,062 options vested on the vesting commencement date, and the remaining options vesting in 12 equal portions every 3 months, over a 36 months period.

- 4.16 Assuming exercise of all of the granted and unexercised outstanding options in full, the options will represent 11.9 per cent. of the Enlarged Share Capital on Admission. The Company retains the ability to make further awards under the Share Option Scheme.
- 4.17 Save as disclosed in paragraphs 3.13 through 3.17 and 4.14 of this Part IV:
- (a) no share or loan capital of the Company has been issued or is proposed to be issued;
  - (b) there are no Ordinary Shares in the Company not representing capital or that are not fully paid up;
  - (c) there are no shares in the Company held by or on behalf of the Company itself;
  - (d) there are no outstanding convertible securities, exchangeable securities or securities with warrants issued by the Company;
  - (e) there are no acquisition rights and/or obligations over authorised but unissued share capital of the Company and the Company has made no undertaking to increase its share capital other than as discussed in this paragraph 4.16;
  - (f) no person has any preferential or subscription rights for any share capital in the Company; and
  - (g) no share or loan capital of the Company is under option and the Company has not agreed conditionally or unconditionally to put any share or loan capital of the Company under option.

## **5. SECURITIES BEING ADMITTED**

- 5.1 The Ordinary Shares are ordinary shares of nominal value NIS 0.002 each in the capital of the Company, issued in NIS.
- 5.2 The International Security Identification Number (ISIN) of the Ordinary Shares is IL0011809428 and the Stock Exchange Daily Official List (SEDOL) number will be BNTVZP4.
- 5.3 The Ordinary Shares will be in registered form. They will be capable of being held in certificated form or in uncertificated form in CREST (utilising the Depositary Interests). The Company's registrars are Computershare Investor Services (Jersey) Limited, of 12 Castle Street, St. Helier, JE1 1ES, Jersey C.I.
- 5.4 The dividend and voting rights attaching to the Ordinary Shares are set out in paragraph 8 of this Part IV.

## **6. CONTROL**

- 6.1 To the best of the knowledge of the Company, there are no persons who at the date of this document directly or indirectly control the Company, where control means owning 30 per cent. or more of the voting rights attaching to the share capital of the Company.
- 6.2 The Company is not aware of any arrangements which may at a subsequent date result in a change in control of the Company.

## **7. EXISTING ARTICLES OF ASSOCIATION**

The Company's Existing Articles include certain veto rights and preferences in liquidation and upon declaration of dividends, as well as pre-emptive rights and rights of first refusal in respect of specific shareholders as well as shareholders whose holdings exceed certain holding thresholds. The Existing Articles will be replaced in their entirety by the New Articles, with effect immediately prior to, and conditional only on, Admission. As a result, the rights set out in the Existing Articles will lapse immediately prior to, and conditional on, Admission. The Existing Articles contain the following provisions, which are relevant to the approval of the Share Capital Reorganisation and Admission:

### *Veto Right*

- 7.1 Certain matters which would ordinarily be subject only to the approval of the holders of a simple majority of the shares present at a quorate meeting also need the approval of the holders of at least the majority of the voting rights underlying the issued and outstanding preferred shares on an as-converted basis. Such matters include approval of certain IPOs (including the proposed Admission) and the replacement of the Company's articles of association. The Share Capital Reorganisation (including the waiver/cancellation of the veto rights and/or preferred rights attached to the preferred shares, and the conversion of the preferred shares into ordinary shares), and the proposed Admission, have been approved by the necessary majority of shareholders.

### *Required Approvals*

- 7.2 Under the Existing Articles, the Company required a number of approvals, in order to effect Admission and replace the Existing Articles with the New Articles. Such approvals included: the approval by the holders of a majority of the voting rights of each of the following classes, voting separately: (i) preferred A shares; (ii) preferred B shares; (iii) preferred B1 shares; (iv) preferred B2 shares; (v) preferred C shares; (vi) preferred C1 shares, on an as-converted basis, in respect of adoption of the New Articles and disapplication of pre-emptive rights for the purposes of the issue of the Placing Shares. Additionally, as Aleph, XL Innovate, Starry Leader Limited and Eliot International Limited, together, will, on completion of the Share Capital Reorganisation lose certain rights enjoyed by them by name, their consent to the Share Capital Reorganisation was also required. Further, the authorisation of the Company to conduct an initial public offering at the Placing Price required approval of the holders of at least the majority of the voting rights of the issued and outstanding preferred C shares and preferred C1 shares on an as-converted basis. Finally, the issue of the Placing Shares required the approval of a majority of the

members of the Board present at a quorate meeting, at which at least two of directors appointed by the holders of preferred shares were present. All such approvals and authorities have been duly given in accordance with the provisions set out in this paragraph 7.2.

## **8. NEW ARTICLES OF ASSOCIATION**

The New Articles, which the Company's shareholders have resolved to adopt effective immediately prior to Admission, include provisions to the following effect:

### *Votes of members*

- 8.1 Subject to any special terms as to voting or to which any shares may have been issued or, no shares having been issued subject to any special terms, on a show of hands every member who being an individual is present in person or by proxy or, being a corporation is present by a duly authorised representative, has one vote, and on a poll every member has one vote for every share of which he is the holder.
- 8.2 Unless the directors determine otherwise, a member of the Company is not entitled to attend a general meeting, or, in respect of any shares held by him to vote at any general meeting of the Company if any amounts payable by him in respect of those shares have not been paid or if the member has a holding of at least 0.25 per cent. of any class of shares of the Company and has failed to comply with a Disclosure Notice.

### *Variation of rights*

- 8.3 If at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated with the consent in writing of the holders of at least a majority of the issued shares of such class of that class or with the sanction of a special resolution passed at a separate meeting of the holders of that class but not otherwise.

### *Transfer of shares*

- 8.4 Subject to the provisions of the New Articles relating to CREST, all transfers of shares will be effected in any usual form or in such other form as the board approves and must be signed by or on behalf of the transferor and, in the case of a partly paid share, by or on behalf of the transferee. The transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of it.
- 8.5 The directors may, in their absolute discretion and without assigning any reason, refuse to register the transfer of a share in certificated form if it is not fully paid or if the Company has a lien on it, or if it is not duly stamped, or if it is by a member who has a holding of at least 0.25 per cent. of any class of shares of the Company and has failed to comply with a Disclosure Notice.
- 8.6 The New Articles contain no restrictions on the free transferability of fully paid Ordinary Shares provided that the transfers are in favour of not more than two transferees, the transferees are legal or natural persons and the provisions in the New Articles, if any, relating to registration of transfers have been complied with.

### *Payment of dividends*

- 8.7 Subject to any special rights attaching to any shares, the Shareholders are to distribute amongst themselves the profits of the Company according to the amounts paid up on the shares held by them, provided that no dividend will be declared in excess of the amount recommended by the directors and subject to the provisions of the Companies Law. A member will not be entitled to receive any dividend if he has a holding of at least 0.25 per cent. of any class of shares of the Company and has failed to comply with a Disclosure Notice. Interim dividends may be paid if profits are available for distribution and if the directors so resolve.

### *Return of capital*

- 8.8 On a winding-up of the Company, the balance of the assets available for distribution will, subject to any sanction required by the Companies Law, be divided amongst the members.

### *Borrowing powers*

- 8.9 Subject to the provisions of the Companies Law, the directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets, including its uncalled or unpaid capital, and to issue debentures and other securities and to give guarantees.

### *Directors*

- 8.10 No shareholding qualification is required by a director.
- 8.11 Subject to the provisions of the Companies Law, the Directors are entitled to fees, in addition to salaries, at the rate decided by the Company, subject in the case of External Directors the maximum aggregate amount per annum and an amount per meeting shall be as set forth in the Companies Law and the Companies Regulations (Rules regulating Fees and Expenses for External Directors) – 2000. The Company may also grant shares or options to External Directors if certain preconditions are met. The Directors are also entitled to be repaid all travelling, hotel and other expenses incurred by them in connection with the business of the Company with the reimbursement of expenses of External Directors subject to the abovementioned Company Regulations.
- 8.12 Subject to the Companies Law, and the provisions regarding External Directors, at each annual general meeting following Admission, all the directors shall retire from office unless elected or re-elected at such meeting.
- 8.13 The directors may from time to time appoint one or more of their body to be the holder of an executive office on such terms as they think fit.
- 8.14 A director may not vote or be counted in the quorum present on any motion in regard to any contract, transaction, arrangement or any other proposal in which he has any material interest, which includes the interest of any person connected with him, otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. Subject to the Companies Law, the Company may by ordinary resolution suspend or relax this provision to any extent or ratify any transaction not duly authorised by reason of a contravention of it.
- 8.15 The directors may provide or pay pensions, annuities, gratuities and superannuation or other allowances or benefits to any director, ex-director, employee or ex-employee of the Company or any of its subsidiaries or to the spouse, civil partner, children and dependants of any such director, ex-director, employee or ex-employee.

### *Depositary Interests and CREST*

- 8.16 The directors may implement such arrangements as they think fit in order for any class of shares to be held in uncertificated form and for title to those shares to be transferred by means of a system such as CREST in accordance with the Uncertificated Securities Regulations 2001 and the Company will not be required to issue a certificate to any person holding such shares in uncertificated form.

### *General meetings*

- 8.17 All general meeting must be called by at least 21 clear days' notice, and no more than 35 days' notice.
- 8.18 Notices must be given in the manner stated in the New Articles to the members, other than those who under the provisions of the New Articles or under the rights attached to the shares held by them are not entitled to receive the notice.
- 8.19 No business may be transacted at any general meeting unless a quorum is present which will be constituted by two persons entitled to vote at the meeting each being a member or a proxy for a member or a representative of a corporation which is a member, representing at least 25 per cent. of the voting rights of the Company. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of, or by, members, will be dissolved and rescheduled to the same day in the next week, at the same time and place, or to such day and at such time and place as the Chairman may determine. If a quorum as set forth above is not present at such rescheduled meeting, then any number of shareholders present shall be deemed a quorum.

- 8.20 At a general meeting a resolution put to the vote will be decided on a show of hands unless, before or on the declaration of the show of hands, a poll is demanded by the chairman or by at least five members present in person or by proxy and entitled to vote or by a member or members entitled to vote and holding or representing by proxy at least one tenth of the total voting rights of all the members having the right to vote at the meeting. Unless a poll is demanded as above, a declaration by the chairman that a resolution has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of general meetings of the Company is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 8.21 No member is entitled to vote at any general meeting either personally or by proxy or to exercise any privilege as a member, unless all calls or other sums presently payable to him in respect of shares in the Company have been paid.
- 8.22 The appointment of a proxy must be in any usual form, or such other form as may be approved by the directors, and must be signed by the appointer or by his agent duly authorised in writing or if the appointer is a corporation, must be either under its common seal or signed by an officer or agent so authorised. The directors may, but will not be bound to, require evidence of authority of such officer or agent. An instrument of proxy need not be witnessed.
- 8.23 The proxy will be deemed to include the right to demand or join in demanding a poll and generally to act at the meeting for the member giving the proxy.
- 8.24 The directors may direct that members or proxies wishing to attend any general meeting must submit to such searches or other security arrangements or restrictions as the directors consider appropriate in the circumstances and may, in their absolute discretion, refuse entry to, or eject from, such general meeting any member or proxy who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions.

#### *Pre-emption rights*

- 8.25 Subject to the terms of any special resolution of the Company (such resolution requires 75 per cent. of votes being duly cast in respect thereof) to the contrary, the Company shall not, subject to certain exceptions, issue equity securities to any person on any terms unless such equity securities are first offered to existing shareholders in proportion to those securities that is as nearly practicably equal to the proportion held by that shareholder.
- 8.26 Such offer shall be made by written notice specifying the number of equity securities offered and a period (being not less than 21 days) within which the offer, to the extent not accepted, will be deemed to be declined. The Board may, in accordance with the provisions of the New Articles, allot, grant options over or otherwise dispose of such equity securities not accepted pursuant to such offers, taking into account any exclusions as the Directors may deem necessary to deal with issues arising in any overseas territory, and together with any equity securities not capable of being offered aforesaid except by way of fractions to such persons on such terms which are not more favourable than the terms on which they were offered to the Shareholders.

These provisions shall not apply to shares, or any other security, allotted in pursuance of an Employees' Share Scheme or in connection with securities to be issued to any director in lieu of fees or salary in accordance with the provisions of any relevant service agreement or letter of appointment.

#### *Shareholder notification requirements*

- 8.27 Pursuant to the AIM Rules for Companies, the provisions of DTR 5 are incorporated into the New Articles as if the Company were an "issuer". DTR 5 sets out the notification requirements for shareholders and a company where the voting rights of a shareholder exceed, reach or fall below the thresholds of 3 per cent., 4 per cent., 5 per cent., 6 per cent., 7 per cent., 8 per cent. 9 per cent., 10 per cent. and each 1 per cent. threshold thereafter up to 100 per cent. DTR 5 provides that disclosure by a Shareholder to the

Company must be made within two trading days of the event giving rise to the notification requirement and the Company must release details to a regulatory information service as soon as possible following receipt of a notification.

- 8.28 The Company may, by written notice, require any person whom the Board knows or has reasonable cause to believe to be interested or, at any time during the three years immediately preceding that date, to have been interested, in Ordinary Shares to indicate whether or not it is the case, and to provide the particulars of their interest (a "Disclosure Notice"). The Disclosure Notice shall request any information given in response to the notice to be given in writing within such time as may be specified in the notice, being a period of not less than 14 days following service thereof.

#### *Takeover Code*

- 8.29 Certain provisions have been incorporated into the New Articles which aim to mirror the material provisions of Rule 9 of the Takeover Code to the extent that it is possible to do so.

- 8.30 In particular, the New Articles provide that (except in certain limited circumstances):

- (a) an acquisition of shares which increases the aggregate holding of the acquirer (and his concert parties) to shares carrying 30 per cent. or more of the voting rights of the Company; or
- (b) an acquisition of shares by a person holding (together with his concert parties) shares carrying between 30 and 50 per cent. of the voting rights in the Company which increases the voting rights of that person (together with his concert parties),

is prohibited unless the consent of a simple majority of shareholders who have no interest in that acquisition is obtained. Where the independent non-executive Directors have reason to believe that any acquisition has taken place in contravention of the above provisions, the New Articles provide that they may, *inter alia*, require a sale of shares acquired in excess of the relevant threshold or determine that such shares will not carry any voting or dividend rights. The main difference between these provisions and Rule 9 is that the Takeover Panel does not have any jurisdiction to enforce these provisions and the New Articles will only bind the Company and its shareholders.

## **9. SUMMARY OF APPLICABLE ISRAELI STATUTORY PROVISIONS**

The following provisions are also applicable to the Company by virtue of the application of Companies Law:

### ***Directors***

- 9.1 In accordance with the Companies Law, the Board shall have at least two external directors, who must meet certain statutory requirements of independence ("**External Directors**"). The term of office of an External Director is three years, which can be extended for two additional consecutive three year terms. An External Director can be removed from office (without his consent) only under very limited circumstances.
- 9.2 Under the Companies Law, a person may not serve as an External Director if at the date of the person's election or within the prior two years the person is a relative of a Controlling Shareholder (as defined below) of the Company or the person or their relatives, partners, employers, supervisors or entities under the control of the company or its Controlling Shareholder, have or have had any affiliation (including, but not limited to work or business relations) with the Company or with a Controlling Shareholder or relatives of a Controlling Shareholder, and, in the case of a company without a Controlling Shareholder or a shareholder holding at least 25 per cent. of the voting rights, any affiliation, at the time of election, to the chairman of the Board, the chief executive officer, a shareholder that holds 5 per cent. of the voting rights or outstanding share capital of the company or the Company's chief finance officer. For these purposes, a "Controlling Shareholder" is a shareholder who has the ability to direct the Company's actions, including any shareholder holding 50 per cent. or more of the voting rights.

- 9.3 In addition, a person may not serve as an External Director if: (i) the person or their relatives, partners, employers, supervisors or entities under the person's control, maintains a business or professional relationship with entities to which an affiliation is prohibited (as stated above), even if such relationship is not on a regular basis, other than a negligible business or professional relationship (as set forth in the Companies Law regulations); or (ii) if such person received compensation in excess of the amounts permitted by the Companies Law and regulations thereunder for External Directors.
- 9.4 A person may also not serve as an External Director if that person's position or other business activities create, or may create, a conflict of interest with the person's service as a Director or may otherwise interfere with the person's ability to serve as a Director.
- 9.5 If at the time any External Director is to be elected all members of the Board that are not Controlling Shareholders or their respective relatives are of the same gender, then the External Director to be elected must be of the other gender.
- 9.6 The Board may appoint any Director (other than an External Director or Independent Director) to hold any employment or executive office in the Company and may also revoke or terminate any such appointment (without prejudice to any claim for damages for breach of any service contract between the Director and the Company). However the chairman of the Board may act as the general manager of the company, subject to a special approval by the shareholders of the company.
- 9.7 Further detail in respect of the requirement under the Companies Law to appoint External Directors is set out in paragraph 22 of Part I of this document, under the heading "Israeli law requirements".

#### ***Directors' interests***

- 9.8 The Companies Law provides that certain transaction of the Company with a Director or any transaction of the Company in which a Director has a Personal Interest (as defined below) requires the approval of the Board and the approval of the remuneration committee or audit committee (depending on the nature of the transaction at hand) prior thereto. The transaction must not be approved if it is adverse to the Company's interest. If the transaction is an extraordinary transaction (as defined below), then audit committee approval is required prior to and in addition to Board approval. If the transaction concerns exculpation, indemnification, insurance or compensation of the Director, then the approvals of the remuneration committee, the Board and the shareholders are required (in that order). The Companies Law defines an "extraordinary transaction" as a transaction that is not in the ordinary course of business, that is not on market terms or that is likely to have a material impact on a company's profitability, assets or liabilities.
- 9.9 In certain interested party transactions a Director who has a Personal Interest in a matter that is considered at a meeting of the Board, the audit committee or the remuneration committee may not attend that meeting or vote on that matter, unless a majority of the Board, the audit committee or the remuneration committee, as applicable, or if such Director is invited by the chair of the Board, the audit committee or the remuneration committee, as applicable, to present the matter being considered. If a majority of the Board, the audit committee or the remuneration committee, as applicable, has a Personal Interest in the transaction, Shareholder approval is also required. A "personal interest", as defined by the Companies Law, includes a personal interest of any person in an act, omission to act, or transaction of the Company, including a personal interest of his relative or of a corporation in which that person or a relative of that person is a holder of 5 per cent. or more of the issued share capital or more of the voting rights, a Director or general manager in which he has the right to appoint at least one Director or the general manager and includes shares for which the person has the right to vote pursuant to a power of attorney. A personal interest does not apply to a personal interest solely arising from holding shares in the Company.

#### ***Limitations on Exemption, Insurance and Indemnification***

- 9.10 Under the Companies Law, the Company (subject to the articles of associations of the Company) may indemnify or insure a Director or officer against a breach of duty of loyalty only to the extent that the Director or officer acted in good faith and had reasonable grounds to assume that the action would not prejudice the Company. In addition, the Company may

not indemnify, insure or exempt a Director or officer against a breach of duty of care if committed intentionally or recklessly (excluding mere negligence), or committed with the intent to derive an unlawful personal gain, or for a fine, civil fine, financial sanction or forfeit levied against the Director or officer. The company may not exempt a director against a breach of duty of care in distribution. Furthermore the Company may not exempt a Director or officer against a breach of duty of loyalty. Pursuant to the Companies Law, exoneration of, procurement of insurance coverage for, and an undertaking to indemnify or indemnification of, the Directors or officers must be approved by the remuneration committee, the Board and the shareholders of the Company. The Companies Law set forth the indebtedness that the indemnification can cover.

- 9.11 On 28 November 2021, the Company entered into indemnification agreements with each of the Directors, further details of which are set out at paragraph 16.4 of this Part IV. In addition, the Company has obtained directors' and officers' insurance cover, conditional on Admission, for £20,000,000.

#### **Other relevant provisions of the Companies Law**

- 9.12 Further detail in respect of mergers, special tender offers and full tender offers under the Companies Law is set out in paragraph 27 of Part I of this document.

### **10. INTERESTS OF THE DIRECTORS AND SIGNIFICANT SHAREHOLDINGS**

- 10.1 As at the date of this document and as expected to be (i) immediately upon completion of the Share Capital Reorganisation, the exercise of the Option Sale Shares and the Tmura Warrant, but prior to Admission, and (ii) immediately following the issue of the Placing Shares and Admission (on the assumption that none of the Directors subscribe for New Shares as part of the Placing), the interests of the Directors and their families (within the meaning set out in the AIM Rules for Companies) in the share capital of the Company, the existence of which is known to or could with reasonable diligence be ascertained by the Directors, are as follows:

<b>Name</b>	<b>Number and class of shares prior to the Share Capital Reorganisation</b>	<b>Number of Existing Ordinary Shares</b>	<b>Percentage of Existing Ordinary Shares</b>	<b>Number of Ordinary Shares at Admission</b>	<b>Percentage of Enlarged Share Capital at Admission</b>
Lord Browne of Madingley	12,505 preferred B2 shares	44,160	0.07 per cent.	167,512	0.21 per cent.
Ami Daniel	2,090,265 Ordinary Shares	6,270,795	10.01 per cent.	6,270,795	7.68 per cent.
Matan Peled	2,090,265 Ordinary Shares	6,270,795	10.01 per cent.	6,270,795	7.68 per cent.
<b>Total:</b>		<b>12,585,750</b>	<b>20.09 per cent.</b>	<b>12,709,102</b>	<b>15.57 per cent.</b>

Note: in addition, Lord Browne of Madingley invested US\$200,000 under the Current CFA, which will automatically convert into 123,352 Ordinary Shares on Admission and may receive equity compensation as summarized in paragraph 13.3 below.

- 10.2 As at the date of this document, the Directors and their families (within the meaning set out in the AIM Rules for Companies) hold the following options over Ordinary Shares, and may be entitled to additional Company securities as set forth in paragraph 13 below:

Director	Prior to the Share Capital Reorganisation		On completion of the Share Capital Reorganisation		Date of Grant	Expiry date
	Number of options	Exercise price	Number of options	Exercise price		
The Lord Browne of Madingley	108,085 <sup>1</sup>	NIS 0.002	324,255	NIS 0.00067	3 April 2018	Standard Expiry Terms
The Lord Browne of Madingley	40,000 <sup>2</sup>	US\$ 0.902	120,000	US\$0.30067	14 November 2018	15 June 2025 unless the relationship is terminated for cause
The Lord Browne of Madingley	196,490 <sup>3</sup>	NIS 0.002	589,470	NIS 0.00067	25 November 2019	Standard Expiry Terms
Ami Daniel	281,095 <sup>4</sup>	NIS 0.002	843,285	NIS 0.00067	26 October 2021	Standard Expiry Terms
Matan Peled	281,095 <sup>4</sup>	NIS 0.002	843,285	NIS 0.00067	26 October 2021	Standard Expiry Terms
Ofer Segev	119,765 <sup>5</sup>	US\$1.01	359,295	US\$0.33533	7 October 2019	Standard Expiry Terms

Notes:

- <sup>1</sup> These options vest over a period of three years beginning 23 April 2018 in 12 equal quarterly instalments.  
<sup>2</sup> These options vest over a period of two years beginning 15 June 2018 in 8 equal instalments every 3 months.  
<sup>3</sup> These options vest over a period of three years beginning 2 October 2019 in 12 equal quarterly instalments.  
<sup>4</sup> These options are fully vested.  
<sup>5</sup> These options vest over a period of four years, starting on 10 October 2019, with 25 per cent. of the Options vested on 10 October 2020 and the remainder vesting in 12 equal portions every 3 months, over the remaining 36 months' period.  
<sup>6</sup> "Standard Expiry Terms" means 10 years from the date of grant or, if earlier, (i) immediately upon termination of appointment for cause, or (ii) three months of termination of appointment other than for cause.

- 10.3 Save as disclosed in paragraph 10.1 above, the Company is not aware of any interest in the Company's Ordinary Shares which amounts or would, immediately following Admission, amount, to 3 per cent. or more of the Enlarged Share Capital, other than the following:

Name	Number and class of shares prior to the Share Capital Reorganisation	Number of Existing Ordinary Shares <sup>6</sup>	Percentage of Existing Ordinary Shares <sup>6</sup>	Number of Ordinary Shares at Admission (including Conversion Shares)	Percentage of Enlarged Share Capital at Admission
Aleph <sup>1</sup>	3,331,305 preferred B shares; 614,440 preferred B1 shares; 619,360 preferred C shares	13,633,080	22.67 per cent.	13,941,461	17.08 per cent.
Ami Daniel	2,090,265 Ordinary Shares	6,270,795	10.43 per cent.	6,279,795	7.68 per cent.
Matan Peled	2,090,265 Ordinary Shares	6,270,795	10.43 per cent.	6,279,795	7.68 per cent.
XL Innovate <sup>2</sup>	508,015 preferred A shares; 1,346,440 preferred C shares	5,563,365	9.25 per cent.	6,180,129	7.57 per cent.
Hargreave Hale Ltd.	Not applicable	Not applicable	Not applicable	6,000,000	7.35 per cent.
Maritime Invest Scandinavia AB	2,528,285 preferred A shares	7,584,855	12.62 per cent.	5,983,149	7.33 per cent.
Gresham House Asset Management Limited	Not applicable	Not applicable	Not applicable	5,806,452	7.11 per cent.

Name	Number and class of shares prior to the Share Capital Reorganisation	Number of Existing Ordinary Shares <sup>6</sup>	Percentage of Existing Ordinary Shares <sup>6</sup>	Number of Ordinary Shares at Admission (including Conversion Shares)	Percentage of Enlarged Share Capital at Admission
The Marc R. Benioff Revocable Trust	1,683,050 preferred C1 shares	5,049,150	8.40 per cent.	5,049,150	6.18 per cent.
Starry Leader Limited	992,835 preferred B1 shares; 484,720 preferred C shares	4,584,960	7.63 per cent.	4,584,960	5.62 per cent.
Premier Miton Group plc	Not applicable	Not applicable	Not applicable	3,657,700	4.48 per cent.
Altshuler Shaham Trusts Ltd. <sup>4</sup>	1,137,375 Ordinary Shares	3,412,125	5.68 per cent.	2,283,960	2.80 per cent.
Eliot International Limited (and affiliates) <sup>3</sup>	661,895 preferred B1 shares; 323,145 preferred C shares	3,056,640	5.08 per cent.	3,365,022	4.12 per cent.
La Maison ITF S.à r.l. <sup>5</sup>	807,865 preferred C shares	2,423,595	4.03 per cent.	2,731,977	3.35 per cent.
NinetyOne UK Limited	Not applicable	Not applicable	Not applicable	2,650,000	3.25 per cent.

Notes:

<sup>1</sup> Comprises the shareholdings of Aleph, L.P. and Aleph-Aleph, L.P. which are managed by Aleph Equity Partners L.P. In addition, Aleph L.P. invested US\$454,766.14 under the Current CFA and Aleph-Aleph, L.P. invested US\$45,233.86 under the Current CFA, which will automatically convert into 308,381 Ordinary Shares on Admission. Aleph, L.P. and Aleph-Aleph, L.P. will hold 12,960,596 and 1,289,246 Ordinary Shares in the Company on Admission, respectively.

<sup>2</sup> In addition, XL Innovate has invested US\$1,000,000 under the Current CFA, which will automatically convert into 616,764 Ordinary Shares on Admission.

<sup>3</sup> Includes the shareholding of Eliot International Limited, together with its affiliate Oscar Time Limited, which invested US\$500,000.00 under the Current CFA and which will automatically convert into 308,382 Ordinary Shares on Admission. Eliot International Limited and Oscar Time Limited will hold 3,056,640 and 308,382 Ordinary Shares in the Company on Admission, respectively.

<sup>4</sup> Altshuler Shaham Trusts Ltd. holds shares as a trustee on behalf of those employee shareholders, who have received shares in the Company as a result of the exercise of their options. No single employee shareholder will hold 3 per cent. or more of the Enlarged Share Capital. Each beneficial shareholder has given an irrevocable voting proxy to the Board, authorising discretionary voting.

<sup>5</sup> In addition, La Maison ITF S.à r.l., SICAR has invested US\$500,000 under the Current CFA, which will automatically convert into 308,382 Ordinary Shares on Admission.

<sup>6</sup> excluding Conversion Shares, Option Sale Shares, 64,452 Options which are to be exercised prior to Admission but not sold

- 10.4 The personal voting rights of the Shareholders set out in paragraphs 10.1 and 10.3 do not differ from the voting rights held by other Shareholders.
- 10.5 Save as disclosed in this paragraph 10, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company during the current or immediately preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.
- 10.6 Save as otherwise disclosed in this document, none of the Directors nor any member of their respective families nor any person connected with the Directors (within the meaning of section 252 of the Companies Act) has any holding, whether beneficial or otherwise, in the share capital of the Company.
- 10.7 None of the Directors nor any member of their respective families is dealing in any related financial product (as defined in the AIM Rules for Companies) whose value in whole or in part is determined directly or indirectly by reference to the price of the Ordinary Shares, including a contract for differences or a fixed odds bet.

## 11. SELLING SHAREHOLDERS

11.1 The following persons are selling Existing Ordinary Shares in the Placing. The table below sets out the number of Existing Ordinary Shares each is selling in the Placing and the percentage such number represents of the Existing Ordinary Shares:

Selling Shareholder	Number of Existing Ordinary Shares held (including the Conversion Shares)	% of Existing Ordinary Shares held (including Conversion Shares)	Number of Existing Ordinary Shares to be sold pursuant to the Placing	Percentage of Existing Ordinary Shares to be sold pursuant to the Placing	Number of Ordinary Shares to be held immediately following Admission	Percentage of Enlarged Share Capital at Admission
Maritime Invest Scandinavia AB	7,584,855	11.7%	1,601,706	2.5%	5,983,149	7.3%
Ami Daniel	7,114,080	11.0%	843,285	1.3%	6,270,795	7.7%
Matan Peled	7,114,080	11.0%	843,285	1.3%	6,270,795	7.7%
Ofer Segev	35,928	0.1%	35,928	0.1%	0	0.0%
Option Selling Shareholders	798,618	1.2%	798,618	1.2%	64,452	0.1%

## 12. ISRAELI SHARE OPTION SCHEME

12.1 In Israel many companies elect for options and other equity awards issued to employees be governed by Section 102 of the Income Tax Ordinance (New Version) (“**the Ordinance**”) under which tax can be deferred until the disposal of the shares originating from such options or equity awards by the employee. For the purposes of the Ordinance, the term “employees” includes officers and directors of the Company, with the exception of Controlling Shareholders.

12.2 The Company has elected that the employee equity grants issued pursuant to its Share Option Scheme should be the Capital Gains route of Section 102 of the Ordinance.

12.3 In accordance with such election mentioned above, the equity awards must be deposited in trust with a trustee approved by the Israeli Tax Authority (“**Trustee**”) for a specific period (currently, 24 months) which commences from the date of allocation of the equity award and deposit of it with the Trustee. During this period, the equity awards may not be sold, transferred, encumbered nor used in any other way by the grantee.

12.4 The Company’s Share Option Scheme under Section 102 of the Ordinance was duly filed with the Israel Tax Authority (“**ITA**”) by the Trustee according to the requirements of the ITA.

12.5 The Trustee of the Share Option Scheme is currently Altshuler Shacham Trusts Ltd.

12.6 The main terms of the Share Option Scheme are as follows:

12.6.1 The Share Option Scheme grants certain employees securities in the Company. Having a personal stake in the Company’s fiscal fortunes encourages productivity and commitment. The Share Option Scheme permits the grant of options, restricted shares and restricted share units under the Share Option Scheme.

12.6.2 The Board is empowered to administer the Share Option Scheme either directly or upon the recommendation of a committee of the Company. Additionally, subject to the requirements of the Companies Law, the Board may vest such a committee with additional powers of administering the Share Option Scheme.

12.6.3 All equity awards shall have a written agreement. Each such agreement shall state the number of shares in the equity award, the tax track of such equity award (102 capital gains track, 102 ordinary income track, Section 3(i) or under a foreign jurisdiction), vesting dates, purchase price per share, if applicable, and the expiration date.

12.6.4 Subject to the provisions of the Share Option Scheme, each award shall vest following the relevant vesting dates and for the number of Ordinary Shares as shall be provided in the relevant agreement and Board or committee approval. Options shall only be exercisable once they have vested, while other securities will have their restrictions fall away automatically in upon such vesting.

- 12.6.5 Unless otherwise determined in the relevant option agreement, an option may be exercised after the date of termination of Option holder's employment if (i) termination is without cause, rights may be exercised for three months after termination; or (ii) termination is the result of death or disability of the Option Holder, right may be exercised within a period of twelve 12 months after termination.
- 12.6.6 Otherwise the options may be exercised by the grantee in whole at any time or in part from time to time, to the extent that the Options become vested and exercisable under the terms of an option agreement, prior to the relevant expiration date.
- 12.7 The Company may issue Restricted Share Units ("**RSUs**") from time to time under the Share Option Scheme. The RSUs are an equity award according to which, under the terms of the Share Option Scheme Ordinary Shares will be issued to (or for the benefit of) a grantee promptly following each vesting date which was determined by the Board or a committee of the Board, provided that the grantee is still engaged by the Company on the applicable vesting date.
- 12.8 The Share Option Scheme supersedes the earlier 2011 share option scheme, which expired at the end of its ten-year term and which was on the substantially same terms as the Share Option Scheme. No new Options will be granted under the 2011 share option scheme but there are previously granted Options under that scheme which remain outstanding.
- 12.9 As at the date of Admission, the Company has reserved 17,533,254 Ordinary Shares of its authorised share capital for the purposes of the issuance of Options under the Share Option Scheme and for the purposes of any other share option schemes which have been or may be adopted by the Company in the future. As at the date hereof 9,750,114 Ordinary Shares are under Option pursuant to the Share Option Scheme, and 7,783,140 remain unallocated.
- 12.10 The Board may at any time, after consultation with the Trustee, amend, suspend or terminate the Share Option Scheme, other than amendments which may adversely affect outstanding equity grants.
- 12.11 Details of the options over Ordinary Shares granted by the Company are set out at paragraph 4.14 of this Part IV

### **13. DIRECTORS' SERVICE AGREEMENTS/LETTERS OF APPOINTMENT**

The Company has entered into service agreements/letters of appointment with the Directors as follows:

#### ***Executive directors***

- 13.1 An employment agreement with Ami Daniel dated 20 October 2013 (as amended on 12 October 2015 and as further amended on 24 December 2019), pursuant to which he was appointed as a Chief Executive Officer of the Company for an annual salary, which has since been increased to NIS 720,000, payable monthly in arrears, plus benefits, including managers' insurance (*Bituach Menahalim*), advance study fund (*Keren Hishtalmut*) and use of company car. Additionally, Mr. Daniel is entitled to participate in the Company's bonus plan, as outlined in paragraph 13.9 below. For the avoidance of doubt, Mr. Daniel's milestones under the bonus plan are strictly company-wide milestone. The appointment is for an unlimited term and is terminable on a 12 months' notice on either side. The agreement contains non-competition and non-solicitation covenants. The non-competition covenants are, however, unlikely to be enforceable. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, he is in material breach of the terms of the agreement. Mr. Daniel has additionally executed a letter of undertaking towards the Company dated 28 November 2021.
- 13.2 A service agreement with Ofer Segev dated 7 October 2019 pursuant to which he was appointed as a Chief Financial Officer of the Company for an annual salary of NIS 720,000 (subject to cost of living adjustments), payable monthly in arrears, plus benefits, including a pension plan and advance study fund (*Keren Hishtalmut*). The Board approved the grant of options over 23,953 Ordinary Shares be granted to Mr Segev and Mr Segev will be entitled to participate in the Company's bonus plan, as outlined in paragraph 13.9 below. The

appointment is for an unlimited term and is terminable on a 6 months' notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, he is in material breach of the terms of the agreement. Mr Segev will be appointed a Director on Admission. Mr. Segev has additionally executed a letter of undertaking towards the Company dated 28 November 2021.

### ***Non-executive directors***

- 13.3 A letter of appointment with The Lord Browne of Madingley dated 28 November 2021, pursuant to which he was appointed as non-executive chairman of the Company for an annual fee of £25,000 and compensation per meeting of £1,000, payable monthly in arrears. The terms of appointment are for 36 months and are terminable on 3 months' notice on either side, subject to the terms of the New Articles as set forth in Section 8.12, above, and applicable law. Additionally, he will be entitled to an annual equity grant in RSUs equal to approximately £75,000. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, he is in material breach of the terms of the appointment. Additionally, he will be entitled to warrants to purchase 1 per cent., 0.25 per cent., and 0.25 per cent., of the Company's then issued and outstanding share capital in the event that the Company achieves market capitalisation milestones of \$500,000,000, \$750,000,000 and \$1,000,000,000 respectively (subject to standard adjustments and exceptions) during the term of his directorship. These warrants will be exercisable at a price per share equal to the Placing Price, subject to standard adjustments, and exercisable until the earlier of (i) 10 years from the date of achievement of the relevant milestone; (ii) the date upon which the Company's shares are no longer listed for trading on a public exchange; and (iii) a merger in which the Company is not the surviving entity or in which a single person holds more than 50 per cent. of the issued and outstanding share capital of the Company following such merger. Upon achievement of the milestone, no further consent of the Company's shareholders will be required before the issuance of such warrants.
- 13.4 A letter of appointment with George Thompson Hutton dated 28 November 2021, pursuant to which he was appointed as a non-executive director of the Company for an annual fee of £25,000 and compensation per meeting of £1,000, payable monthly in arrears. The terms of appointment are for 36 months and are terminable on 3 months' notice on either side, subject to the terms of the New Articles as set forth in Section 8.12, above, and applicable law. Additionally, he will be entitled to an annual equity grant in RSUs equal to approximately £30,000. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, he is in material breach of the terms of the appointment.
- 13.5 A letter of appointment with Roderick Guy Mason dated 28 November 2021, conditional upon Admission, pursuant to which he was appointed as a non-executive director of the Company for an annual fee of £25,000 and compensation per meeting of £1,000 payable monthly in arrears. The terms of appointment are for 36 months and are terminable on 3 months' notice on either side, subject to the terms of the New Articles as set forth in Section 8.12, above, and applicable law. Additionally, he will be entitled to an annual equity grant in RSUs equal to approximately £30,000. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, he is in material breach of the terms of the appointment.
- 13.6 A letter of appointment with Shereen El Zarkani dated 28 November 2021, conditional upon Admission, pursuant to which she was appointed as a non-executive director of the Company for an annual fee of £25,000 and compensation per meeting of £1,000, payable monthly in arrears. The appointment is for 36 months and is terminable on 3 months' notice on either side. Additionally, she will be entitled to an annual equity grant in RSUs equal to approximately £30,000. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, she is in material breach of the terms of the appointment.
- 13.7 A letter of appointment with Stuart Kilpatrick dated 28 November 2021, conditional upon Admission, pursuant to which he was appointed as a non-executive director of the Company for an annual fee of £25,000 and compensation per meeting of £1,000, payable monthly in

arrears. The terms of appointment are for 36 months and are terminable on 3 months' notice on either side, subject to the terms of the New Articles as set forth in Section 8.12, above, and applicable law. Additionally, he will be entitled to an annual equity grant in RSUs equal to approximately £30,000. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, he is in material breach of the terms of the appointment.

### **Senior managers**

13.8 Matan Peled has been engaged by the Company's wholly owned subsidiary Windward US, Inc. pursuant to the Employment Agreement dated July 11, 2021 which he was appointed as Head of US Operations of the Company for an annual fee of US\$240,000, payable in arrears. Mr Peled will also be entitled to participate in the Company's bonus plan, as outlined in paragraph 13.9 below. The appointment is for an indefinite term and is then terminable on 90 days' notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, he is in material breach of the terms of the appointment.

### **Management incentive plan**

13.9 The Company's management incentive plan is approved on an annual basis by the Company's Board and, with respect to the director participants, the Company's shareholders, in which the participants are entitled to an annual bonus calculated on the basis of meeting certain ACV or collection milestones. With respect to certain members of management, such as Mr. Segev, there are additional personal milestones. The maximum bonus, as well as relevant milestones, are all pre-defined on a year-by-year basis.

## **14. ADDITIONAL INFORMATION ON THE DIRECTORS**

14.1 In addition to directorships of the Company or any of its Subsidiaries, the Directors hold or have held the following directorships or have been partners in the following partnerships within the five years prior to the date of this document:

<b>Director</b>	<b>Current Directorships and Partnerships (other than the Company)</b>	<b>Past Directorships and Partnerships</b>
The Lord Browne of Madingley	1275 Sa Beyondnetzero Ltd Courtauld Institute Of Art Holocaust Educational Trust Ihs Markit Ltd. Madingley Group Llp Madingley Ltd Pattern Energy Group Lp Sparkcognition Inc. The Blavatnik School Of Government Foundation The Francis Crick Institute Limited The Oil & Gas Holding Company B.S.C. The Queen Elizabeth Prize For Engineering Foundation Royal Opera House Covent Garden Foundation The Samuel Courtauld Trust	American Friends Of Donmar, Inc Dea Deutsche Erdoel Ag Donmar Warehouse Projects Limited Huawei Technologies (UK) Co Limited L1 Energy (UK) Llp Pattern Energy Group Inc. Tate Foundation The Power Of Nutrition Wintershall Dea Gmbh
Ami Daniel	Ocean Tech Solutions Ltd Windward Marine Risk (UK) Limited	Windward Marine Risk (UK) Ltd

<b>Director</b>	<b>Current Directorships and Partnerships (other than the Company)</b>	<b>Past Directorships and Partnerships</b>
Ofer Segev	Ofer Segev Consulting Ltd Varonis Systems Inc. Verix Inc. Verix Ltd	Arcturus Therapeutics, Inc Arcturus Therapeutics Ltd Cheetah Labs Hub Ltd Segev Properties Ltd
Tom Hutton	Archipelago Analytics Inc. Cape Analytics LLC GeoQuant Inc. Mobility Capital Finance Inc. New Energy Risk Inc. Pillar Technologies Inc. Slice Insurance Technologies Inc. Slice Labs Inc. SoFi Technologies Inc. Thompson Hutton LLC XL Innovate, LP Zen Drive Inc.	Lemonade Inc. Stonestep AG The Blockchain Industry Initiative
Roderick Guy Mason	AB Klaipedos nafta	BP Alternative Energy Holding Ltd BP Maritime Services (Singapore) Ltd BP (Indian Agencies) Limited BP Shipping Ltd Cadman DBP Ltd Hydrogen Energy International LLC International Foundation for Aids to Navigation (IFAN) ITOPF Limited Oil Spill Response Ltd
Shereen El Zarkani	None	None
Stuart Kilpatrick	James Fisher Defence North America Limited James Fisher Ghana Limited James Fisher Ocean Team Limited JF Overseas Ghana Limited Onesimus Dorey (Shipowners) Ltd	Buchan Technical Services Limited Cattedown Wharves Limited EDS HV Group Limited EDS HV Management Limited EDS HV Services Ltd Electricity Distribution Services Limited Eurotestconsult UK Ltd F. T. Everard & Sons Limited F. T. Everard Shipping Limited Fathom Systems Limited Fender Care Limited Fender Care Marine Ltd Fender Care Marine Services Group Limited Fender Care Marine Solutions Limited FTE Engineering Limited High Technology Sources Limited

Director	Current Directorships and Partnerships (other than the Company)	Past Directorships and Partnerships
		Hughes Marine Engineering Limited
		Hughes Sub Surface Engineering Limited
		Insight Marine Projects Limited
		James Fisher (Aberdeen) Limited
		James Fisher (Crewing Services) Limited
		James Fisher (Ro-Ro) Limited
		James Fisher (Shipping Services) Limited
		James Fisher Air Supply Norway Limited
		James Fisher and Sons (Seafloor Dynamex) Limited
		James Fisher and Sons plc
		James Fisher Defence Limited
		James Fisher Everard Limited
		James Fisher Fender Care Limited
		James Fisher Holdings UK Limited
		James Fisher Hong Kong Limited
		James Fisher Marine Services Limited
		James Fisher Marine Services Middle East Limited
		James Fisher MFE Limited
		James Fisher MIMIC Limited
		James Fisher NDT Limited
		James Fisher Norway AS
		James Fisher Nuclear Holdings Limited
		James Fisher Nuclear Limited
		James Fisher Offshore Limited
		James Fisher Properties Limited
		James Fisher Rumic Limited
		James Fisher Subsea Limited
		James Fisher Subtech Group Limited
		James Fisher Tankships Holdings Limited
		James Fisher Testing Services (Ireland) Limited
		James Fisher Testing Services Limited
		JCM Scotload Ltd
		JF Nuclear Limited
		JF Overseas Limited
		JFD Limited

Director	Current Directorships and Partnerships (other than the Company)	Past Directorships and Partnerships
		JFD Singapore Pte Ltd Martek Holdings Limited Martek Marine Limited MNP EG Limited Monyana Engineering Services Limited NMS Czech Holdings Limited Osiris Marine Services Limited Osiris Underwater Engineering Services Limited Prolec Limited Pump Tools Limited Remac Limited RMPumptools Limited Rotos 360 Limited SC177590 Limited Scantech Offshore Limited Scantech Offshore UK Limited Scotload Ltd Scottish Navigation Company Limited Solmead Limited Solvapli Limited Strainstall Group Limited Strainstall Malaysia Sdn Bhd Strainstall Singapore Pte Ltd Strainstall UK Limited Subtech Group Holdings (Pty) Ltd Testconsult Limited

14.2 None of the Directors has:

- (a) any unspent convictions in relation to indictable offences;
- (b) had any bankruptcy order made against him or entered into any voluntary arrangements;
- (c) been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, been subject to a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
- (d) been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- (e) been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- (f) been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or
- (g) been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.

## 15. EMPLOYEES

15.1 As at the date of this document, Windward will have 126 employees and consultants who are based across Windward's offices as follows:

- (a) 97 employees and 2 consultants in Israel;
- (b) 5 employees in the UK;
- (c) 9 employees in the US;
- (d) 1 consultant on Denmark;
- (e) 1 consultant in Uganda;
- (f) 2 consultants in Dubai;
- (g) 9 consultants in Ukraine.

15.2 The number of employees at the end of each financial year covered by the historical financial information was as follows:

	<u>31 December 2018</u>	<u>31 December 2019</u>	<u>31 December 2020</u>
Employees	69	75	92

## 16. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been: (a) entered into by a member of Windward within the two years immediately preceding the date of this document and are, or may be, material; or (b) entered into by a member of Windward and contain any provision under which any member of Windward has any obligation or entitlement which is (or may be) material to Windward as at the date of this document.

### ***Agreements relating to the Placing and Admission***

#### 16.1 ***Placing Agreement***

On 30 November 2021, the Company, the Directors, the Selling Shareholders and Canaccord Genuity (as the Company's nominated adviser, sole broker and sole bookrunner), entered into the Placing Agreement, under which Canaccord Genuity has been granted certain powers and authorities in connection with the Placing and the application for Admission. Under the terms of the Placing Agreement, each of the Company, the Directors and the Selling Shareholders has given certain warranties and undertakings on customary terms. The liability of the Company in respect of its obligations under the Placing Agreement is unlimited as to amount and time. The liability of each of the Directors and the Selling Shareholders is limited as to amount and time. Each of the Company and the Selling Shareholders has given certain indemnities to Canaccord Genuity on customary terms.

Canaccord Genuity may terminate the Placing Agreement at any time prior to Admission in certain circumstances. Canaccord Genuity's termination rights are customary for agreements of this nature and include, amongst others, material adverse change, breach of warranty by any party giving such warranty and non-compliance by such persons with any obligation contained in the Placing Agreement.

The Placing Agreement is subject to the satisfaction or waiver of a number of conditions prior to Admission, including, certain warranties remaining true and accurate, the allotment and issue of the New Shares (subject to Admission) taking place and Admission taking place by 6 December (or such later time as may be agreed by the Company and Canaccord Genuity, being not later than 20 December 2021).

In consideration of Canaccord Genuity's services under the Placing Agreement, the Company has agreed to pay the following, plus VAT (if any) and disbursements:

- (a) a broking commission of 3.75 per cent. of the aggregate value at the Placing Price of the New Shares, conditional upon Admission;

- (b) a discretionary commission of up to 0.50 per cent. of the aggregate value of the New Shares at the Placing Price; and
- (c) a nominated adviser fee of £300,000 payable upon Admission (less any payments made prior to Admission).

In consideration of Canaccord Genuity's services under the Placing Agreement, each Selling Shareholder has agreed to pay the following, plus VAT (if any):

- (a) a broking commission of 3.75 per cent. of the aggregate value at the Placing Price of the Sale Shares sold by it, conditional upon Admission; and
- (b) a discretionary commission of up to 0.50 per cent. of the aggregate value at the Placing Price of the Sale Shares sold by it, at the Company's discretion.

The Placing Agreement also contains lock-in provisions in respect of the Directors and the Selling Shareholders. Each of the Directors and Matan Peled have undertaken to the Company and Canaccord Genuity that, except in certain limited circumstances, they will not dispose of any interest in the Ordinary Shares held by them for a period of 12 months from the date of Admission and, for the following 12 months, that they will only dispose of their holdings through the Company's broker with a view to maintaining an orderly market in the Ordinary Shares.

In addition, the Placing Agreement also contains lock-in provisions in respect of Maritime Invest Scandinavia AB who has undertaken to the Company and Canaccord Genuity that, except in certain limited circumstances, they will not dispose of any interest in the Ordinary Shares held by them at Admission for a period of six months from the date of Admission and, for the following six months, that they will only dispose of their holdings through the Company's broker with a view to maintaining an orderly market in the Ordinary Shares.

In addition, the Placing Agreement also contains lock-in provisions in respect of the Selling Shareholders who are employees of the Group as at the date of the Placing Agreement. Each of the Selling Shareholders who are employees of the Group as at the date of the Placing Agreement have undertaken to the Company and Canaccord Genuity that, except in certain limited circumstances, they will not dispose of any interest in the Ordinary Shares held by them at Admission for a period of six months from the date of Admission. Following the expiry of that lock-in period there is no orderly market period for Selling Shareholders who are employees of the Group as at the date of the Placing Agreement.

## 16.2 **Lock-in Agreements**

On 30 November 2021, Aleph, XL Innovate, The Marc R. Benioff Revocable Trust and La Maison ITF S.à r.l. entered into the Lock-in Agreements pursuant to which they have each undertaken to the Company and Canaccord Genuity that, except in certain limited circumstances, they will not dispose (and will use reasonable endeavours to procure that none of their connected persons will dispose) of any interest in the Ordinary Shares held by them at Admission for a period of six months from the date of Admission and, for the following six months, that they will only dispose of their holdings through the Company's broker with a view to maintaining an orderly market in the Ordinary Shares.

In addition, Starry Leader Limited, Eliot International Limited and Oscar Time Limited entered into the Lock-in Agreements pursuant to which they have each undertaken to the Company and Canaccord Genuity that, except in certain limited circumstances, they will not dispose (and will use reasonable endeavours to procure that none of their connected persons will dispose) of any interest in the Ordinary Shares held by them at Admission for a period of six months from the date of Admission. Following the expiry of that lock-in period there is no orderly market period for Starry Leader Limited, Eliot International Limited and Oscar Time Limited.

In addition, each of the employees of the Group as at the date of the Placing Agreement will be restricted by the Company so that, except in certain limited circumstances, they will not dispose of any interest in the Ordinary Shares held by them that arose from a conversion of any options held by them for a period of six months from the date of Admission. Following the expiry of that lock-in period there is no orderly market period for Selling Shareholders who are employees of the Group as at the date of the Placing Agreement.

### 16.3 ***Nominated adviser and broker agreement***

On 30 November 2021, the Company and Canaccord Genuity entered into the nominated adviser and broker agreement, pursuant to which the Company has appointed Canaccord Genuity to act as nominated adviser and broker to the Company for the purposes of the AIM Rules for Companies. The Company has agreed to pay Canaccord Genuity an annual fee payable in equal half yearly instalments, together with expenses for its services as nominated adviser and broker under this letter. The letter contains certain customary undertakings given by the Company and the Directors and an indemnity from the Company in respect of, *inter alia*, compliance with all applicable laws and regulations.

### 16.4 ***Indemnification Agreements***

Under the indemnification agreement referred to in paragraph 9.11 of this Part IV entered into with each director and other office holder of the Company (as that term is defined in the Company's Law) the Company has undertaken to exempt and indemnify each of the directors and other parties entitled to this indemnity (which in certain circumstances includes shareholders with a right to appoint a director) to the fullest extent permitted under the Company's Law as described in paragraph 9.10 of this Part IV. The aggregate amount payable by the Company under any indemnification agreement shall not exceed the sum of US\$4,000,000 (US four million dollars) (in aggregate) although the Board may from time to time increase the amount of such limit. The indemnity agreement indemnifies the indemnified parties from any liability that any indemnified party may incur. Exhibit A of the indemnification agreement includes a non-comprehensive list of the types of matters for which the indemnity might arise which includes, anti-competitive acts and commercial wrongdoing; breach of data protection; infringement of intellectual property; failure to exercise business judgment etc. This list is not comprehensive.

## ***Financing agreements***

### 16.5 ***Revolving credit facility with Bank Hapoalim***

On 20 October 2021, the Company entered into a secured revolving credit facility with Bank Hapoalim (the "Bank") of up to NIS 14.7 million (US\$ 4.5 million). The facility is available until 30 September 2022.

Any amounts drawn down under the credit line are to be repaid in full on or prior to 30 September 2022. The Company is liable to pay a fee for unused portions of the credit line on a quarterly basis, a flat handling fee and compound interest on any drawn down amounts as calculated on the date of withdraw.

The Poalim Credit Line is secured by fixed and floating charges against the Company's assets. The Company has given customary financial and general undertakings.

The Company further provided customary covenants to the Bank, which are conditional on the drawdown of any part of the Poalim Credit Line and any amount of the credit being outstanding. They include the following:

- (a) To maintain a Quick Ratio of at least 1.3 and monthly recurring revenue growth rate of at least 2.5 per cent. on a quarterly basis, on average, and no less than 10 per cent. monthly recurring revenue growth rate annually;
- (b) To notify the Bank of any upcoming change in the accounting policy or analysis of the Company. If the Bank expects such a change to affect the Company's financial reports and ratios therein, then the Bank may, in consultation with the Company, update the financial ratios required of the Company;
- (c) Not to allow any subsidiary to hold more than \$1,000,000 in cash or liquid assets, other than for the subsidiaries ongoing operations;
- (d) To obtain the Bank's consent for any reorganisation, change of control (except in the event of IPO or a private investment) including of any subsidiary.

The agreement is governed by the Israeli law.

## 16.6 **Convertible financing agreement**

On 13 June 2021, the Company entered into a convertible financing agreement with a number of investors, whereby the Company can raise up to US\$10,000,000 (“**Current CFA**”). As of the date of this document, the Company has received approximately US\$3,300,000 pursuant to the Current CFA.

According to its terms, the Current CFA will automatically convert upon the occurrence of the earlier of: (i) a preferred equity financing which results in total proceeds of at least US\$10,000,000; (ii) a liquidation event; (iii) an initial public offering, including Admission; and (iv) 13 June 2023.

In the event of a conversion due to an initial public offering, the outstanding financing amount will convert at a price per share equal to the lower of: (a) a 20 per cent. discount on the price per share in the offering; and (b) the division of US\$130,000,000 by the Company’s fully diluted share capital including, without limitation, all outstanding options, warrants and other convertible securities of the Company and any shares reserved by the Company’s Board for issue under the Company’s stock option plan as of the date of the offering.

In the event of a conversion due to (i) or (iv), above, XL Innovate holds certain rights to delay the receipt of the shares to be issued to it.

On Admission, the investors under the Current CFA will convert their investment amounts under the Current CFA into 2,035,317 Ordinary Shares of the Company.

## **CREST and Depositary Interests**

### 16.7 **Deed poll**

On 24 November 2021 the Deed Poll was executed by the Depositary.

The Depositary Interests will be created pursuant to and issued on the terms of the Deed Poll.

The Deed Poll is executed by the Depositary, in favour of the holders of the Depositary Interests from time to time. Prospective holders of Depositary Interests should note that they will have no rights against Euroclear or its subsidiaries in respect of the underlying Ordinary Shares or the Depositary Interests representing them. Ordinary Shares will be transferred to an account of the Depositary or its nominated custodian (“Custodian”) and the Depositary will issue Depositary Interests to participating members.

Each Depositary Interest will be treated as one Ordinary Share for the purposes of determining, for example, eligibility for any dividends. The Depositary will pass on to holders of Depositary Interests any stock or cash benefits received by it as holder of Ordinary Shares on trust for such Depositary Interest holder. Depositary Interest holders will also be able to receive from the Depositary notices of meetings of holders of Ordinary Shares and other information to make choices and elections issued by the Company to the Shareholders.

In summary, the Deed Poll contains, amongst other things, provisions to the following effect:

- the Depositary will hold (itself or through the Custodian), as bare trustee, the underlying securities issued by the Company and all and any rights and other securities, property and cash attributable to the underlying securities for the time being held by the Depositary or Custodian pertaining to the Depositary Interests for the benefit of the holders of the Depositary Interests. The Depositary will re-allocate securities or distributions allocated to it or the Custodian *pro rata* to the Ordinary Shares held for the respective accounts of the holders of Depositary Interests but will not be required to account for fractional entitlements arising from such re-allocation;
- holders of Depositary Interests warrant, amongst other things, that the securities in the Company transferred or issued to the Depositary or Custodian for the account of the Depositary Interest holder are free and clear of all liens, charges, encumbrances or third party interests and that such transfers or issues are not in contravention of the Articles any contractual obligation, or applicable law or regulation binding or affecting such holder;

- the Depositary and any Custodian must pass on to Depositary Interest holders, or exercise on their behalf, all rights and entitlements received by the Depositary or the Custodian in respect of the underlying securities. Rights and entitlements to cash distributions, to information, to make choices and elections and to attend and vote at meetings shall, subject to the Deed Poll, be passed on in the form which they are received, together with amendments and additional documentation necessary to effect such passing-on, or exercised in accordance with the Deed Poll. If arrangements are made which allow a holder to take up rights in the Company's securities requiring further payment, the holder must put the Depositary or its appointed agent in cleared funds before the relevant payment date or other date notified by the Depositary if it wishes the Depositary to exercise such rights;
- the Depositary will be entitled to cancel Depositary Interests and treat the holders as having requested a withdrawal of the underlying securities in certain circumstances including where a Depositary Interest holder fails to furnish to the Depositary such certificates or representations as to material matters of fact, including his identity, as the Depositary deems appropriate;
- the Deed Poll contains provisions excluding and limiting the Depositary's liability to a maximum of £5 million. For example, the Depositary shall not be liable to any Depositary Interest holder or any other person for liabilities in connection with the performance or non-performance of obligations under the Deed Poll or otherwise except as may result from its negligence or wilful default or fraud or that of any person for whom it is vicariously liable, provided that the Depositary shall not be liable for the negligence, wilful default or fraud of any Custodian or agent which is not a member of its group unless it has failed to exercise reasonable care in the appointment and continued use of such Custodian or agent;
- the Depositary is entitled to charge holders of Depositary Interests fees and expenses for the provision of its services under the Deed Poll;
- the holders of Depositary Interests are required to agree and acknowledge with the Depositary that any transfer of Depositary Interests by them which is identified by the CREST system as exempt from stamp duty reserve tax is so exempt, and to notify the Depositary if this is not the case, and to pay to Euroclear any SDRT, and any interest, charges or penalties arising from non-payment of stamp duty reserve tax in respect of such transaction;
- the Depositary is entitled to make deductions from any income or capital arising from the underlying securities, or to sell such underlying securities and make deductions from the sale proceeds therefrom, in order to comply with its obligations to account for any tax liability in respect of such securities;
- the Depositary may terminate the Deed Poll by giving 30 days' notice to the holders of the relevant Depositary Interests. During such notice period holders are entitled to cancel their Depositary Interests and withdraw their deposited property and, if any Depositary Interests remain outstanding after termination, the Depositary must, among other things, deliver the deposited property in respect of the Depositary Interests to the relevant Depositary Interest holders or, at its discretion, sell all or part of such deposited property. It shall, as soon as reasonably practicable, deliver the net proceeds of any such sale, after deducting any sums due to the Depositary, together with any other cash held by it under the Deed Poll *pro rata* to holders of Depositary Interests in respect of their Depositary Interests; and
- the Depositary may require from any holder or former or prospective holder information as to the capacity in which Depositary Interests are or were owned and the identity of any other person with or previously having any interest in such Depositary Interests and the nature of such interest and evidence or declarations of nationality or residence of the legal or beneficial owners of Depositary Interests and such information as is required for the transfer of the relevant Ordinary Shares to the holders. Holders agree to provide such information requested and consent to the disclosure of such information by the Depositary or Custodian to the extent necessary or desirable to comply with their legal or regulatory obligations. Furthermore, to the extent that the Company's constitutional

Documents require disclosure to the Company of, or limitations in relation to, beneficial or other ownership of the Company's securities, the holders of Depositary Interests are to comply with the Company's instructions with respect thereto.

It should also be noted that holders of Depositary Interests may not have the opportunity to exercise all of the rights and entitlements available to holders of the Ordinary Shares including, for example, the ability to vote on a show of hands. In relation to voting, it will be important for holders of Depositary Interests to give prompt instructions to the Depositary to vote the underlying shares on their behalf.

#### **16.8 *Depositary Services Agreement***

The Company has entered into a depositary services agreement dated 28 November 2021 between the Company and the Depositary ("Depositary Agreement"). The Depositary Agreement relates to the Depositary's appointment as depositary in relation to the Ordinary Shares, including the issue and cancellation of Depositary Interests and maintaining the Depositary Interests register. The Company has agreed to indemnify the Depositary in relation to losses suffered by the Depositary in connection with its performance of the agreement which would include any claim made by any Depositary Interest holder against the Depositary.

The Depositary's liability under the agreement is limited to a maximum of two times the amount of fees payable to the Depositary in any 12 month period. The Depositary Agreement is for an initial term of 12 months after which it is terminable by either party with 6 months' notice.

#### **16.9 *Registrar Agreement***

On 23 November 2021 the Company and the Registrar entered into an agreement for the provision of branch registry and associated services in Jersey to the Company. The agreement contains an indemnity from the Company in favour of the Registrar in relation to losses suffered by the Registrar as a result of any failure by any banking institution which holds the Company's dividend monies and other distributions to provide appropriate information to the Registrar or as a result of or in connection with the Registrar acting on any forged, fabricated or other inaccurate, invalid or unauthorised documents or instructions received by it in connection with the performance of its obligations.

The Registrar is appointed for a fixed term of one year. Thereafter the appointment may be terminated by either party giving to the other not less than 6 months' notice. Either party may terminate by notice to the other in the event of the other party's persistent material breach, which has not been cured within 21 days from receiving a notice in respect of such breach, insolvency or having ceased to have the appropriate authorisations, which permit it lawfully to perform its obligations envisaged by the agreement.

### **17. RELATED PARTY TRANSACTIONS**

Save as disclosed in paragraphs 10.1, 10.3 and 13 above, and in note 18 of the Company's Historical Financial Information in Part III, during the period covered by the Historical Financial Information and up to the date of this document, the Company did not enter into any related party transactions.

### **18. GOVERNMENT GRANTS**

18.1 The Company's research and development efforts were previously financed, in part, through grants it received from the IIA. The Company is required to comply with the requirements of the Israeli Innovation Law, and related regulations, as amended, as well as with the directives and tracks published by the IIA, with respect to these projects. Through 31 December 2020, the Company received approximately US\$1.3 million in funding from the IIA and paid the IIA approximately US\$1.4 million in royalties under our approved programs. As of the date of this document, the Company has no contingent obligation to the IIA for royalty payments.

18.2 Under the Israeli Innovation Law and the tracks and directives published by the IIA, the Company is prohibited from transferring or licensing our IIA-financed technologies, technologies derived therefrom and related intellectual property rights and know-how outside

of the State of Israel except under limited circumstances and only with the approval of the IIA and generally upon making a payment to the IIA, up to an amount capped at six times the grant amount (linked to the US dollar), plus annual interest at LIBOR, less royalties repaid.

- 18.3 Approval of the transfer or license of technology to residents of the State of Israel is required and could be granted in specific circumstances, but only if the recipient agrees to abide by the provisions of applicable laws, including the restrictions on the transfer of know-how and the obligation to pay royalties.
- 18.4 If an acquirer or investor is a non-Israeli entity and will receive or hold 5 per cent. or more of the Company's issued and outstanding share capital as may be the case in this offering on AIM or subsequent to the listing, such foreign acquirer or investor is required to execute and submit to the IIA a standard form of undertaking to comply with the restrictions of the Innovation Law. One of the main commitments under this undertaking is to require such acquirer(s) to use all reasonable efforts to ensure that the Company shall comply with the Innovation Law and accordingly, the Company agrees that it will supply a compliance report at every annual general meeting of shareholders to enable such acquirer(s) to have the necessary comfort on such compliance.
- 18.5 Under the IIA rules, the IIA needs to be notified of change in control as well as of an initial public offering and the IIA grants and attendant restrictions need to be disclosed in the applicable prospectus or admission document. This Admission document has been disclosed to the IIA and the relevant provisions approved by the IIA in compliance with the Company's requirements in this connection.

## **19. LITIGATION**

No member of the Group is or has been involved in any governmental, legal or arbitration proceedings, and the Company is not aware of any such proceedings pending or threatened by or against any member of the Group, which may have or have had during the twelve months preceding the date of this document a significant effect on the financial position or profitability of the Group.

## **20. NO SIGNIFICANT CHANGE**

Save for matters described in paragraph 17 of Part I of this document, there has been no significant change in the Company's financial position or financial performance since 30 June 2021, being the date to which the last unaudited condensed consolidated interim financial information of the Company was prepared.

## **21. WORKING CAPITAL**

The Directors are of the opinion, having made due and careful enquiry and taking into account the net proceeds of the Placing receivable by the Company, that Windward and its Group will have sufficient working capital for its present requirements, that is for at least 12 months from the date of Admission.

## **22. TAXATION IN THE UK**

### **22.1 Introduction**

The comments set out below are based on the current UK tax law and what is understood to be current HMRC published practice which are subject to change at any time (potentially with retrospective effect). They are intended as a general guide only and apply only to Shareholders who are resident and domiciled (in the case of individuals) and resident (in the case of companies) for tax purposes in (and only in) the UK (except to the extent that specific reference is made to Shareholders resident outside the UK), who hold their Ordinary Shares as investments (other than under an individual savings account or pension arrangement) rather than trading stock and who are the absolute beneficial owners of those Ordinary Shares and any dividends paid thereon.

It is not intended to be, nor should it be construed as legal or tax advice.

The comments set out below are a summary only to certain aspects of tax in the UK and do not deal with the position of certain classes of Shareholders, such as dealers in securities, broker dealers, insurance companies, collective investment schemes or Shareholders who have or are deemed to have acquired their Ordinary Shares by virtue of an office or employment.

Furthermore, the following statements do not include a consideration of the potential UK inheritance tax consequences of holding Ordinary Shares. Prospective purchasers of Ordinary Shares should consult their own professional advisers in relation to the potential UK inheritance tax consequences of holding them.

If you are in any doubt as to your tax position or you are subject to tax in a jurisdiction outside the UK, you should consult an appropriate professional adviser before taking any action.

## 22.2 **Taxation of dividends**

### **Individual Shareholders**

Under current United Kingdom tax legislation no UK tax is withheld from dividends or redemption proceeds paid by the Company to Shareholders.

Dividends paid on the Ordinary Shares to the individuals resident in the UK for taxation purposes or who carry on a trade, profession or vocation in the UK and who hold Ordinary Shares for the purposes of such trade, profession or vocation may be liable to income tax. For the tax year 2021-22, each individual has a tax-free dividend allowance which exempts the first £2,000 (Nil Rate Amount) of dividend income. Dividend income in excess of the tax-free allowance will be liable to income tax in the hands of individuals for the tax year 2021-22 at the rate of 7.5% to the extent that it is within the basic rate band, 32.5% to the extent that it is within the higher rate band and 38.1% to the extent it is within the additional rate band.

Dividend income that is within the Nil Rate Amount counts towards an individual's basic or higher rate limits – and will therefore impact on the level of savings allowance to which they are entitled, and the rate of tax that is due on any dividend income in excess of the Nil Rate Amount. In calculating into which tax band any dividend income over the Nil Rate Amount falls, savings and dividend income are treated as the highest part of an individual's income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice.

### **Corporate Shareholders**

Shareholders within the charge to UK corporation tax which are “small companies” for the purposes of Chapter 2 of Part 9A of the Corporation Tax Act 2009 will generally be exempt from UK corporation tax on any dividend received provided certain conditions are met (including an anti-avoidance condition).

A UK resident corporate Shareholder (which is not a “small company” for the purposes of the UK taxation of dividends legislation in Part 9A of the Corporation Tax Act 2009) will be liable to UK corporation tax (currently at a rate of 19% from 1 April 2017) unless the dividend falls within one of the exempt classes set out in Part 9A. Examples of exempt classes (as defined in Chapter 3 of Part 9A of the Corporation Tax Act 2009) include dividends paid on shares that are “ordinary shares” (that is shares that do not carry any present or future preferential right to dividends or to the Company's assets on its winding up) and which are not “redeemable”, and dividends paid to a person holding less than 10% of the issued share capital of the payer (or any class of that share capital in respect of which the distribution is made). However, the exemptions are not comprehensive and are subject to anti-avoidance rules.

Shareholders within the charge to corporation tax are advised to consult their independent professional tax advisers in relation to the implications of the legislation.

### ***Non-resident Shareholders***

Non-UK resident Individual Shareholders who receive a dividend from the Company are treated as having paid UK income tax on their dividend income at the dividend ordinary rate (7.5 per cent.). Such income tax will not be repayable to a non-UK resident Individual Shareholder. A non-UK resident Shareholder is not generally subject to further UK tax on dividend receipts.

Non-UK resident Shareholders may also be subject to tax on dividend income under local law, in their country or jurisdiction of residence and/or citizenship. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

### **22.3 *Disposals of Ordinary Shares***

A disposal (or deemed disposal) of Ordinary Shares by a Shareholder (other than those holding shares as dealing stock, who are subject to separate rules) who is resident in the UK for tax purposes or who is not so resident in the UK but carries on business in the UK through a branch or agency (or, in the case of a corporate Shareholder, a permanent establishment) with which their investment in the Company is connected may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation, depending on the Shareholder's circumstances and subject to any available exemption or relief.

#### ***Individual Shareholders***

Such an individual Shareholder who is subject to UK income tax at the higher or additional rate will be liable to UK capital gains tax on the amount of any chargeable gain realised by a disposal of Ordinary Shares at the rate of 20% for the tax year 2021-22.

Such an individual Shareholder who is subject to income tax at the basic rate only should only be liable to capital gains tax on the chargeable gain up to the unused amount of the Shareholder's basic rate band at the rate of 10% and at a rate of 20% on the gains above the basic rate band for the tax year 2021-22.

Individuals may benefit from certain reliefs and allowances (including a personal annual exemption allowance, which presently exempts the first £12,300 of gains from tax for the tax year 2021-22).

#### ***Corporate Shareholders***

For such Shareholders that are bodies corporate they will generally be subject to corporation tax (rather than capital gains tax) at the rate applicable to that Shareholder (currently 19%) on any chargeable gain realised on a disposal of Ordinary Shares.

### **22.4 *Stamp duty and stamp duty reserve tax (SDRT)***

No UK stamp duty or SDRT will be generally payable on the issue of Ordinary Shares. AIM qualifies as a recognised growth market for the purposes of the UK stamp duty and SDRT legislation. Accordingly, for so long as the Ordinary Shares are admitted to trading on AIM and are not listed on any other market no charge to UK stamp duty or SDRT should arise on their subsequent transfer or on the trading in depository interests in the Ordinary Shares.

The statements in this paragraph apply to any holders of Ordinary Shares irrespective of their residence and are a summary of the current position and are intended to be a general guide to the current stamp duty and SDRT position. Shareholders in any doubt about their position should seek appropriate tax advice.

## **23. TAXATION IN ISRAEL**

### **23.1 *Introduction***

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

### 23.2 ***Israeli tax considerations***

The following is a brief summary of the material Israeli tax laws applicable to Windward, and certain Israeli Government programs that may benefit Windward. This section also contains a discussion of material Israeli tax consequences concerning the ownership and disposition of Windward ordinary shares purchased by investors. This summary does not discuss all the aspects of Israeli tax law that may be relevant to a particular investor in light of his or her personal investment circumstances or to some types of investors subject to special treatment under Israeli law. Examples of such investors include residents of Israel or traders in securities who are subject to special tax regimes not covered in this discussion. To the extent that the discussion is based on new tax legislation that has not yet been subject to judicial or administrative interpretation, Windward cannot assure you that the appropriate tax authorities or the courts will accept the views expressed in this discussion. The discussion below is subject to change, including due to amendments under Israeli law or changes to the applicable judicial or administrative interpretations of Israeli law, which change could affect the tax consequences described below.

SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE ISRAELI OR OTHER TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR ORDINARY SHARES, INCLUDING, IN PARTICULAR, THE EFFECT OF ANY NON-ISRAELI., STATE OR LOCAL TAXES.

### 23.3 ***General corporate tax structure in Israel***

Israeli companies are generally subject to corporate tax on their taxable income. The regular corporate tax rate is 23 per cent. as of 2018 and thereafter. However, the effective tax rate payable by a company that derives income from a Preferred Enterprise or a Preferred Technological Enterprise (as discussed below) may be considerably less. Capital gains derived by an Israeli company are generally subject to tax at the regular corporate tax rate.

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

The Law for the Encouragement of Industry (Taxes), 5729-1969, generally referred to as the Industry Encouragement Law, provides several tax benefits for "Industrial Companies." We believe that we currently qualify as an Industrial Company within the meaning of the Industry Encouragement Law. The Industry Encouragement Law defines an "Industrial Company" as an Israeli resident-company, of which 90 per cent. or more of its income in any tax year, other than income from certain government loans, is derived from an "Industrial Enterprise" owned by it and located in Israel or in the "Area", in accordance with the definition under section 3A of the Israeli Income Tax Ordinance (New Version) 1961, or the Ordinance. An "Industrial Enterprise" is defined as an enterprise whose principal activity in a given tax year is industrial production. The following are the main tax benefits available to Industrial Companies: (i) amortisation of the cost of purchased patent, rights to use a patent, and know-how, which were purchased in good faith and are used for the development or advancement of the Industrial Enterprise, over an eight year period, commencing with the year in which such rights were first exercised; (ii) under limited conditions, an election to file consolidated tax returns with controlled Israeli Industrial Companies or with parent company; (iii) expenses related to a public offering are deductible in equal amounts over three years commencing with the year of the offering. Eligibility for benefits under the Industry Encouragement Law is not contingent upon approval of any governmental authority.

### 23.5 ***Tax benefits and grants for research and development***

Israeli tax law allows, under certain conditions, a tax deduction for expenditures, including capital expenditures, for the year in which they are incurred. Expenditures are deemed related to scientific research and development projects, if: (i) the expenditures are approved by the relevant Israeli government ministry, determined by the field of research; (ii) the research and development must be for the promotion of the company; and (iii) the research and development is carried out by or on behalf of the company seeking such tax deduction. The amount of such deductible expenses is reduced by the sum of any funds received through government grants for the finance of such scientific research and development projects. No deduction under these research and development deduction rules is allowed if such deduction is related to an expense invested in an asset depreciable under the general depreciation rules of the Ordinance. Expenditures that are unqualified under the conditions

above are deductible in equal amounts over three years. From time to time we may apply to the Israel Innovation Authority (the "IIA") for approval to allow a tax deduction for all or most of research and development expenses during the year incurred. There can be no assurance that such application will be accepted. If we are not be able to deduct research and development expenses during the year of the payment, we will be able to deduct research and development expenses during a period of three years commencing in the year of the payment of such expenses.

### **23.6 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 (the "2011 Amendment") and as of January 1, 2017 (the "2017 Amendment"). The 2011 Amendment introduced new benefits to replace those granted in accordance with the provisions of the Investment Law in effect prior to the 2011 Amendment. However, companies entitled to benefits under the Investment Law as in effect prior to January 1, 2011 were entitled to choose to continue to enjoy such benefits, provided that certain conditions are met, or elect instead, irrevocably, to forego such benefits and have the benefits of the 2011 Amendment apply. The 2017 Amendment introduces new benefits for Preferred Technological Enterprises, alongside the existing tax benefits.

### **23.7 Tax benefits under the 2011 amendment**

The 2011 Amendment canceled the availability of the benefits granted to Industrial Companies under the Investment Law prior to 2011 and, instead, introduced new benefits for income generated by a "Preferred Company" through its "Preferred Enterprise" (as such terms are defined in the Investment Law) as of January 1, 2011. The definition of a Preferred Company includes a company incorporated in Israel that is not fully owned by a governmental entity, and that has, among other things, Preferred Enterprise status and is controlled and managed from Israel. Pursuant to the 2011 Amendment, a Preferred Company is entitled to a reduced corporate tax rate of 15 per cent. with respect to its income derived by its Preferred Enterprise in 2011 and 2012, unless the Preferred Enterprise is located in a specified development zone, in which case the rate will be 10 per cent.. Under the 2011 Amendment, such corporate tax rate was reduced from 15 per cent. and 10 per cent., respectively, to 12.5 per cent. and 7 per cent., respectively, in 2013, 16 per cent. and 9 per cent. respectively, in 2014, 2015 and 2016, and 16 per cent. and 7.5 per cent., respectively, in 2017 and thereafter. Income derived by a Preferred Company from a "Special Preferred Enterprise" (as such term is defined in the Investment Law) would be entitled, during a benefits period of 10 years, to further reduced tax rates of 8 per cent., or 5 per cent. if the Special Preferred Enterprise is located in a certain development zone. Dividends distributed from income which is attributed to a "Preferred Enterprise" will be subject to withholding tax at source at the following rates: (i) Israeli resident corporations—0 per cent., (although, if such dividends are subsequently distributed to individuals or a non-Israeli company the below rates detailed in sub sections (ii) and (iii) shall apply) (ii) Israeli resident individuals—20 per cent. (iii) non-Israeli residents (individuals and corporations) – 20 per cent. or a reduced tax rate, pursuant to the provisions of an applicable double tax treaty and subject to the receipt in advance of a valid certificate from the Israel Tax Authority ("ITA") allowing for such reduced tax rate. Windward currently does not intend to implement the 2011 Amendment.

### **23.8 New tax benefits under the 2017 amendment that became effective on January 1, 2017**

The 2017 Amendment provides new tax benefits for two types of "Technology Enterprises," as described below, and is in addition to the other existing tax beneficial 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 per cent. on income that qualifies as "Preferred Technological Income", as defined in the Investment Law. The tax rate is further reduced to 7.5 per cent. for such income generated by a Preferred Technological Enterprise located in development zone "A". In addition, a Preferred Technological Company will enjoy a reduced corporate tax rate of 12 per cent. 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 technology company satisfying certain conditions (group consolidated revenues 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 per cent. on “Preferred Technology Income” regardless of the company’s geographic location within Israel. It should be noted that the proportion of income that may be considered Preferred Technology Income and enjoy the tax benefits described above, should be calculated according to the Nexus Formula, which is based on the proportion as that of qualifying expenditures in the IP compared to overall expenditures, as well as while taking into consideration income attributable to routine manufacturing activities and certain marketing intangibles (detailed rules apply), which may be subject to tax at the Preferred Enterprise and regular corporate tax rates, respectively. In addition, a Special Preferred Technological Enterprise will enjoy a reduced corporate tax rate of 6 per cent. on capital gain derived from the sale of certain “Benefitted Intangible Assets” to a related foreign company if the Benefitted Intangible Assets were either developed by the Special Preferred Enterprise or acquired from a foreign company on or after January 1, 2017, and the sale received prior approval from the 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 Technology 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 per cent. or such lower rate as may be provided in an applicable tax treaty (subject to the receipt in advance of a valid certificate from the ITA allowing for a reduced tax rate). 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 that holds solely or together with other foreign companies 90 per cent. or more of the shares in the Israeli company and other conditions are met, the withholding tax rate will be 4 per cent. (subject to the receipt in advance of a valid certificate from the ITA allowing for the reduced tax rate). Windward believes that upon its generation of taxable income (i.e. following the offset of all of its carry-forward business losses) it may be eligible for tax benefits under the 2017 Amendment.

### 23.9 **Taxation of the Company’s shareholders**

#### **Capital gains taxes applicable to Israeli resident shareholders**

An Israeli resident corporation that derives capital gains from the sale of shares in an Israeli resident company will generally be subject to tax on the real capital gains generated on such sale at the regular corporate tax rate of 23 per cent. (in 2021). An Israeli resident individual will generally be subject to capital gain tax at the rate of 25 per cent. However, if the individual shareholder claims deduction of interest and linkage differences expenses in connection with the purchase and holding of such shares or is a “substantial shareholder” at the time of the sale or at any time during the preceding twelve months period, such gain will be taxed at the rate of 30 per cent.. A “substantial shareholder” is generally a person who alone or together with such person’s relative or another person who collaborates with such person on a permanent basis, holds, directly or indirectly, at least 10 per cent. of any of the “means of control” of the corporation. “Means of control” generally include the right to vote, receive profits, nominate a director or an executive officer, receive assets upon liquidation, or order someone who holds any of the aforesaid rights how to act, regardless of the source of such right. Individual holders dealing in securities in Israel for whom the income from the sale of securities is considered “business income” as defined in Section 2(1) of the Ordinance are taxed at the marginal tax rates applicable to business income (up to 47 per cent. in 2021). Certain Israeli institutions who are exempt from tax under Section 9(2) or Section 129(a)(1) of the Ordinance (such as exempt mutual funds or pension funds) may be exempt from capital gains tax from the sale of the shares.

#### **Capital gains taxes applicable to non-Israeli resident shareholders**

A non-Israeli resident who derives capital gains from the sale of shares in an Israeli resident company that were purchased after the company was listed for trading on a stock exchange outside of Israel, will, subject to the fulfilment of certain conditions, be exempt from Israeli tax if the gains are not attributable to a permanent establishment that the non-resident maintains

in Israel. However, non-Israeli corporations will not be entitled to the foregoing exemption if Israeli residents: (i) have a controlling interest of more than 25 per cent. in such non-Israeli corporation or (ii) are the beneficiaries of, or are entitled to, 25 per cent. or more of the revenues or profits of such non-Israeli corporation, whether directly or indirectly. In addition, such exemption is not applicable to a person whose gains from selling or otherwise disposing of the shares are deemed to be business income. Additionally, a sale of securities by a non-Israeli resident may be exempt from Israeli capital gains tax under the provisions of an applicable tax treaty. For example, generally, under the Convention Between the Government of the United Kingdom and the Government of Israel for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the "UK-Israel Tax Treaty"), gains derived by a UK resident from the alienation of shares shall be exempt from Israeli tax unless such shares derived more than 50 per cent of their value directly or indirectly from immovable property situated in Israel. 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 ITA may require shareholders who are not liable for Israeli tax to sign declarations in forms specified by the ITA or obtain a specific exemption from the ITA to confirm their status as non-Israeli resident, and, in the absence of such declarations or exemptions, may require the purchaser of the shares to withhold taxes at source. A detailed return, including a computation of the tax due, must be filed and an advance payment must be paid on January 31 and July 30 of each tax year for sales of securities traded on a stock exchange made within the previous six months. However, if all tax due was withheld at the source according to applicable provisions of the Ordinance and the regulations promulgated thereunder, the return does not need to be filed provided that (i) such income was not generated from business conducted in Israel by the taxpayer, (ii) the taxpayer has no other taxable sources of income in Israel with respect to which a tax return is required to be filed and an advance payment does not need to be made, and (iii) the taxpayer is not obligated to pay excess tax (as further explained below). Capital gains are also reportable on an annual income tax return.

#### **Taxation of Israeli shareholders on receipt of dividends**

An Israeli resident individual is generally subject to Israeli income tax on the receipt of dividends paid on our ordinary shares at the rate of 25 per cent. With respect to a person who is a "substantial shareholder" at the time of receiving the dividend or at any time during the preceding twelve months, the applicable tax rate is 30 per cent. Such dividends are generally subject to Israeli withholding tax at a rate of 25 per cent. if the shares are registered with a nominee company (whether the recipient is a substantial shareholder or not) and 20 per cent. if the dividend is distributed from income attributed to a Preferred Enterprise or Preferred Technological Enterprise. If the recipient of the dividend is an Israeli resident corporation such dividend income will be exempt from tax provided the income from which such dividend is distributed was derived or accrued within Israel and was received directly or indirectly from another corporation that is liable subject to Israeli corporate tax. An exempt mutual fund, pension fund or other entity that is exempt from tax under Section 9(2) or Section 129(C)(a)(1) of the Ordinance is exempt from tax on dividend.

#### **Taxation of non-Israeli shareholders on receipt of dividends**

Non-Israeli residents (either individuals or corporations) are generally subject to Israeli income tax on the receipt of dividends paid on our ordinary shares at the rate of 25 per cent. or 30 per cent. if the dividend recipient is a "substantial shareholder" at the time of distribution or at any time during the preceding 12 month period, which tax will be withheld at source, unless relief is provided in a treaty between Israel and the shareholder's country of residence (subject to the receipt in advance of a valid certificate from the ITA allowing for such relief). Such dividends are generally subject to Israeli withholding tax at a rate of 20 per cent. if the dividend is distributed from income attributed to a Preferred Enterprise or Preferred Technological Enterprise or a reduced rate provided under an applicable tax treaty, in each case subject to the receipt in advance of a valid certificate from the ITA allowing for a

reduced tax rate. For example, under the UK-Israel Tax Treaty, the tax withheld at source in Israel on dividends paid by an Israeli resident company to a UK resident shareholder who is the beneficial owner of the dividends shall not exceed: (i) 5 per cent of the gross amount of the dividends if the beneficial owner of the dividends is a company (other than a partnership or real estate investment trust) which holds directly at least 10 per cent of the capital of the company paying the dividends throughout a 365 day period that includes the day of payment of the dividends (for the purpose of computing that period, no account shall be taken of changes of ownership that would directly result from a corporate reorganisation, such as a merger or divisive reorganisation, of the company that holds the shares or that pays the dividends) or (ii) 15 per cent of the gross amount of the dividends in other cases. Dividends paid to pension schemes are exempt from withholding of tax at source. We cannot assure you that we will designate the profits that we may distribute in a way that will reduce shareholders' tax liability. A foreign resident who had income from a dividend that was accrued from Israeli source, from which the full tax was deducted, will be generally exempt from filing a tax return in Israel, provided that (i) such income was not generated from business conducted in Israel by the foreign resident, (ii) the foreign resident has no other taxable sources of income in Israel with respect to which a tax return is required to be filed and (iii) the foreign resident is not liable to additional Surtax (see below) in accordance with Section 121B of the Ordinance.

#### 23.10 **Surtax**

In addition to all of the above, individuals who are subject to 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 per cent. on annual income (including, but not limited to, dividends, interest and capital gain) exceeding NIS 647,640 for 2021, which amount is linked to the annual change in the Israeli consumer price index.

#### 23.11 **Estate and Gift Tax**

Israeli law presently does not impose estate or gift taxes.

### 24. GENERAL

- 24.1 The net proceeds of the Placing receivable by the Company are expected to be £22.5 million. The total costs and expenses relating to Admission and the Placing are payable by the Company and are estimated to amount to approximately £3.8 million (excluding VAT).
- 24.2 Save in connection with the application for Admission, none of the Ordinary Shares has been admitted to dealings on any recognised exchange and no application for such admission has been made and it is not intended to make any other arrangements for dealings in the Ordinary Shares on any such exchange.
- 24.3 The financial information in this document relating to the Group and in particular the consolidated historical financial information and the unaudited consolidated interim financial information contained in Part III of this document, does not constitute statutory accounts within the meaning of section 171 of the Companies Law. Kesselman & Kesselman of Building 25, MATAM, Haifa 3190500, Israel, has audited the statutory accounts of the Group for the financial year ended 31 December 2020, 2019 and 2018. The accounting reference date is 31 December.
- 24.4 Kesselman & Kesselman (as reporting accountant) of Building 25, MATAM, Haifa 3190500, Israel, are regulated by The CPA Council under the auspices of the Ministry of Justice in Israel, and has given and not withdrawn its written consent to the inclusion in this document of its accountants report in Part III of this document in the form and context in which it appears and has authorised its report for the purpose of Schedule Two of the AIM Rules for Nominated Advisers.
- 24.5 Canaccord Genuity (as nominated adviser, sole broker and sole bookrunner) of 88 Wood Street, London, EC2V 7QR, United Kingdom has given and not withdrawn its written consent to the inclusion in this document of reference to its name in the form and context in which it appears.

- 24.6 Where information has been sourced from a third party this information has been accurately reproduced. So far as the Company and the Directors are aware and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 24.7 The accounting reference date of the Company is 31 December. The current accounting period will end on 31 December 2021.
- 24.8 The Placing Price of 155 pence represents a premium of 155 pence over the nominal value of NIS 0.002 per Ordinary Share.
- 24.9 Save as disclosed in this document, no person (other than the Company's professional advisers named in this document and suppliers) has at any time within the 12 months preceding the date of this document received, directly or indirectly, from the Company or entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after Admission any fees, securities in the Company or any other benefit to the value of £10,000 or more.
- 24.10 Save as otherwise disclosed in this document, there are no patents or other intellectual property rights or licences which are of fundamental importance to Windward's business or profitability.
- 24.11 The Directors are unaware of any environmental issues that may affect the Group's utilisation of its tangible fixed assets and the Directors have not identified any events that have occurred since the end of the last financial year and which are considered likely to have a material effect on the Company's prospects for the current financial year.
- 24.12 The Directors are unaware of any Director, or a member of a Director's family (as defined in the AIM Rules for Companies), who has a related financial product (as defined in the AIM Rules for Companies) referenced to the Ordinary Shares being admitted to AIM.
- 24.13 Save as disclosed in this document, there have been no significant recent trends in production, sales and inventory and costs and selling prices of the Group since 30 June 2021.
- 24.14 Except as stated in this document, there have been no material investments made by the Company during the last three financial years and there are no material future investments on which firm commitments have been made.
- 24.15 No public takeover bids have been made by third parties in respect of the Company's issued share capital since its incorporation up to the date of this Admission Document.

## **25. AVAILABILITY OF ADMISSION DOCUMENT**

Copies of the document will be available free of charge during normal business hours on any day (except Saturdays, Sundays and public holidays) at the registered offices of the Company and the offices of Fladgate LLP at 16 Great Queen Street, London, WC2B 5DG, United Kingdom for one month from Admission. This document is also available on the Company's website at [windward.ai](http://windward.ai).

## Part V

### TERMS AND CONDITIONS OF THE PLACING

#### Part 1

The terms and conditions set out in this Part V (the “**Terms and Conditions**”) and the information comprising this document are restricted and are not for publication, release or distribution, in whole or in part, directly or indirectly, in or into the United States, Australia, Canada, Japan, New Zealand, the Republic of South Africa, Israel or any other state or jurisdiction in which such release, publication or distribution would be unlawful. The Terms and Conditions and the information contained herein is not intended to and does not contain or constitute an offer of, or the solicitation of an offer to buy or subscribe for, securities to any person in the United States, Australia, Canada, Japan, New Zealand, the Republic of South Africa, Israel or any other state or jurisdiction in which such an offer would be unlawful.

#### **Important information for invited Placees only regarding the Placing**

Members of the public are not eligible to take part in the Placing. This document and these Terms and Conditions are for information purposes only and are directed only at: (A) persons in member states of the EEA who are qualified investors within the meaning of Article 2(e) of Regulation (EU) 2017/1129, as amended from time to time, (the “**EU Prospectus Regulation**”) (“**EU Qualified Investors**”), or (B) if in the United Kingdom, persons who are qualified investors within the meaning of Article 2(e) of the UK version of the EU Prospectus Regulation which forms part of domestic law pursuant to the European Union (Withdrawal) Act 2018 (the “**UK Prospectus Regulation**”) (“**UK Qualified Investors**”) and who: (i) have professional experience in matters relating to investments who fall within the definition of ‘Investment Professionals’ in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 as amended (the “**Order**”), or (ii) are high net worth companies, unincorporated associations or partnership or trustees of high value trusts as described in Article 49(2) of the Order, or (C) otherwise, to persons to whom it may otherwise be lawful to communicate it to (each a “**Relevant Person**”). No other person should act or rely on this document and persons distributing this document must satisfy themselves that it is lawful to do so. By accepting the Terms and Conditions each Placee represents and agrees that it is a Relevant Person. This document and the Terms and Conditions set out herein must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this document and the Terms and Conditions set out herein relate is available only to Relevant Persons and will be engaged in only with Relevant Persons. This document does not itself constitute an offer for sale or subscription of any securities in the Company. This document has been issued by and is the sole responsibility of the Company.

The Placing Shares have not been and will not be registered under the US Securities Act of 1933, as amended (“**US Securities Act**”), or under the applicable securities laws of any state or other jurisdiction of the United States, and may not be offered, sold, taken up, resold, transferred or delivered, directly or indirectly within, into or in the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with the securities laws of any relevant state or other jurisdiction of the United States. There will be no public offer of the Placing Shares in the United States.

The Placing Shares are being offered and sold outside the United States in accordance with Regulation S under the US Securities Act.

The relevant clearances have not been, nor will they be, obtained from the securities commission of any state or other jurisdiction of the United States; any province or territory of Canada; no prospectus has been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance; and the Placing Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of the United States, Canada, Australia, New Zealand, Japan, the Republic of South Africa or Israel. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into the United States, Canada, Australia, New Zealand, Japan, the Republic of South Africa or Israel or any other jurisdiction outside the United Kingdom and the EEA.

Each Placee should consult with its own advisers as to legal, tax, business, financial and related aspects of a subscription for or purchase of the Placing Shares. The price of Ordinary Shares and the income from them (if any) may go down as well as up and investors may not get back the full amount invested on disposal.

The Placees will be deemed to have read and understood this document in its entirety and to be making such offer on the Terms and Conditions, and to be providing the representations, warranties, acknowledgements and undertakings, contained in these Terms and Conditions. In particular each such Placee represents, warrants and acknowledges that:

- (A) it is a Relevant Person (as defined above) and undertakes that it will subscribe for, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
- (B) it is acquiring the Placing Shares for its own account or acquiring the Placing Shares for an account with respect to which it has sole investment discretion and has the authority to make, and does make the representations, warranties, indemnities, acknowledgments, undertakings and agreements contained in this document;
- (C) in the case of a Relevant Person in the United Kingdom who acquires any Placing Shares pursuant to the Placing:
  - (a) it is a UK Qualified Investor; and
  - (b) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 5(1) of the UK Prospectus Regulation:
    - (i) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in the United Kingdom other than UK Qualified Investors or in circumstances in which the prior consent of Canaccord Genuity has been given to the offer or resale; or
    - (ii) where Placing Shares have been acquired by it on behalf of persons in the United Kingdom other than UK Qualified Investors, the offer of those Placing Shares to it is not treated under the UK Prospectus Regulation as having been made to such persons; and
- (D) in the case of a Relevant Person in a member state of the EEA (each a “**Relevant State**”) who acquires any Placing Shares pursuant to the Placing:
  - (a) it is an EU Qualified Investor; and
  - (b) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 5(1) of the EU Prospectus Regulation:
    - (i) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in a Relevant State other than EU Qualified Investors or in circumstances in which the prior consent of Canaccord Genuity has been given to the offer or resale; or
    - (ii) where Placing Shares have been acquired by it on behalf of persons in a Relevant State other than EU Qualified Investors, the offer of those Placing Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons;
- (E) it is not a US Person (as defined in, and in accordance with Regulation S) and it, and any accounts it represents, (i) is, or at the time the Placing Shares are acquired will be, outside the United States and is not acquiring the Placing Shares for the account or benefit of any US Person or any other person located in the United States, (ii) is acquiring the Placing Shares in an “offshore transaction” (as defined in, and in accordance with Regulation S) and (iii) will not offer or sell, directly or indirectly, any of the Placing Shares except in an “offshore transaction” as defined in, and in accordance with Regulation S or in the United States pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the US Securities Act.

Persons (including without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this document of which these Terms and Conditions form part should seek appropriate advice before taking any action.

Neither Canaccord Genuity, nor any of its affiliates, agents, directors, officers or employees, make any representation to any Placees regarding an investment in the Placing Shares.

### **Application for admission to trading**

Application will be made to the London Stock Exchange for Admission. It is expected that Admission of the Enlarged Share Capital (which shall include the Placing Shares) will become effective at or around 8.00 a.m. on 6 December 2021 and that dealings in the Existing Ordinary Shares and the New Shares will commence immediately at that time.

### **Participation in, and principal terms of, the Placing**

1. Canaccord Genuity is acting as agent of the Company and the Selling Shareholders in connection with the Placing and is acting as agent for no one else in connection with the Placing and will not regard any other person (whether or not a recipient of these Terms and Conditions) as a client in relation to the Placing.
2. Participation in the Placing will be available only to persons who may lawfully be, and are, invited to participate by Canaccord Genuity.
3. These Terms and Conditions apply to Placees. Each Placee hereby agrees with Canaccord Genuity to be legally and irrevocably bound by these Terms and Conditions which will be the Terms and Conditions on which the Placing Shares will be acquired in the Placing.
4. The Terms and Conditions must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which the Terms and Conditions set out herein relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.
5. An offer (whether orally or in writing) to acquire Placing Shares will be made on these Terms and Conditions (which shall be deemed to be incorporated into such offer and into the contract notes sent to a Placee) and will be legally binding on the Placee and will not be capable of variation or revocation without Canaccord Genuity's written consent.
6. If successful, each Placee's allocation will be confirmed to it by Canaccord Genuity. Oral or written confirmation (at Canaccord Genuity's discretion) will constitute a binding irrevocable commitment by a Placee, subject to the Terms and Conditions set out below, to subscribe and pay for the relevant number of Placing Shares at the Placing Price (the "**Placing Participation**"). Such commitment is not capable of termination or rescission by the Placee in any circumstances except fraud. All such obligations are entered into by the Placee with Canaccord Genuity in its capacity as agent for the Company and the Selling Shareholders and are therefore directly enforceable by the Company or (as the case may be) the Selling Shareholders.
7. Each Placee's commitment will be made solely on the basis of the information set out in this document. By participating in the Placing, Placees will be deemed to have read and understood these Terms and Conditions and this document in its entirety and to be participating and making an offer for the Placing Shares on these Terms and Conditions. Each Placee will be deemed to have read and understood these Terms and Conditions in their entirety and to be making such offer on the Terms and Conditions and to be providing the representations, warranties and acknowledgements and undertakings contained in these Terms and Conditions. Each such Placee will have an immediate, separate, irrevocable and binding obligation, owed to Canaccord Genuity, to pay it or (as it may direct) one of its affiliates in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares allocated to such Placee.
8. All obligations under the Placing will be subject to fulfilment of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Right to terminate under the Placing Agreement".
9. Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be subscribed for or purchased pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and settlement".

10. Except as required by law or regulation, no press release or other announcement will be made by Canaccord Genuity or the Company or any of the Selling Shareholders using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.
11. To the fullest extent permissible by law and applicable FCA rules, neither Canaccord Genuity, the Company, the Selling Shareholders nor any of their respective affiliates, agents, directors, officers or employees shall have any responsibility or liability (whether in contract, tort or otherwise) to Placees (or to any other person whether acting on behalf of a Placee or otherwise).

### **Details of the Placing Agreement and of the Placing Shares**

The Company, the Directors, Canaccord Genuity and the Selling Shareholders have entered into a placing agreement on 30 November 2021 (the "**Placing Agreement**") pursuant to which Canaccord Genuity has agreed that it will, as agent for and on behalf of the Company and the Selling Shareholders, use its reasonable endeavours to procure subscribers and purchasers for the Placing Shares. The Placing is not subject to any minimum fundraising and is not underwritten by Canaccord Genuity.

The New Shares will, when issued, be credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of the Ordinary Shares after Admission.

### **Conditions of the Placing**

The obligations of Canaccord Genuity under the Placing Agreement are, and the Placing is, conditional upon, *inter alia*:

- (A) the Company allotting the New Shares in accordance with the terms of the Placing Agreement;
- (B) the Selling Shareholders transferring, subject only to Admission, their respective Sale Shares in accordance with the Placing Agreement;
- (C) the performance by the Company and the Selling Shareholders of their respective obligations under the Placing Agreement to the extent that they fall to be performed prior to Admission;
- (D) Canaccord Genuity having not exercised its right to terminate the Placing Agreement; and
- (E) Admission occurring by not later than 8.00 am on 6 December (or such later date as the Company and Canaccord Genuity may agree, in any event being not later than 20 December 2021);

(all conditions to the obligations of Canaccord Genuity included in the Placing Agreement being together, the "**conditions**").

The Placing Agreement contains certain warranties from the Directors, certain warranties and indemnities from the Company and certain warranties and indemnities from the Selling Shareholders, in each case for the benefit of Canaccord Genuity.

None of the Company, the Selling Shareholders, the Directors or Canaccord Genuity owes any fiduciary duty to any Placee in respect of the representations, warranties, undertakings or indemnities in the Placing Agreement.

If: (i) any of the conditions contained in the Placing Agreement, including those described above, are not fulfilled (or, where permitted, waived or extended by Canaccord Genuity), or (ii) the Placing Agreement is terminated in the circumstances specified below, the Placing will not proceed and the Placees' rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof. Canaccord Genuity may waive certain conditions contained in the Placing Agreement. Any such extension or waiver will not affect Placees' commitments as set out in this document.

If: (i) any of the conditions in the Placing Agreement are not satisfied (or, where relevant, waived) or (ii) the Placing Agreement is terminated or (iii) the Placing Agreement does not otherwise become unconditional in all respects, the Placing will not proceed and all funds delivered by the Placee to Canaccord Genuity will be returned to the Placee at its own risk without interest, and each Placee's

rights and obligations hereunder shall cease and determine at such time and no claim shall be made by the Placee in respect thereof.

Neither Canaccord Genuity nor any of its affiliates, agents, directors, officers or employees shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or the date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally, and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of Canaccord Genuity.

### **Restrictions**

The Company has agreed with Canaccord Genuity that it will not at any time during the period of 12 months from the date of Admission, without the prior written consent of Canaccord Genuity (such consent not to be unreasonably withheld or delayed), offer, issue, sell, contract to sell, issue options in respect of or otherwise dispose of any securities of the Company (or any interest therein or in respect thereof) or any other securities exchangeable for, or convertible into, or substantially similar to, Ordinary Shares or enter into any transaction having substantially the same effect or agree to do any of the foregoing, other than pursuant to such share option schemes and other employee incentive arrangements as are described in this document or as contemplated by the Placing Agreement.

### **Right to terminate under the Placing Agreement**

At any time before Admission, Canaccord Genuity is entitled to terminate the Placing Agreement by giving notice in writing to the other parties to the Placing Agreement if, amongst other things: (i) the Company, the Directors or the Selling Shareholders fail to comply with any of their respective obligations under the Placing Agreement; or (ii) any of the warranties are not true and accurate or have become misleading; or (iii) in the opinion of Canaccord Genuity (acting in good faith), there has been a development or event which will or might reasonably be expected to have a material adverse affect on the operations, condition (financial, operational, legal or otherwise), prospects, management, results of operations, financial position, business or general affairs of the Company or the Group respectively; or (iv) there is a force majeure event which would be likely in the opinion of Canaccord Genuity (acting in good faith) to materially prejudice the success of the Placing.

Upon such notice being given, the parties to the Placing Agreement shall be released and discharged (except for any liability arising before or in relation to such termination) from their respective obligations under or pursuant to the Placing Agreement, subject to certain exceptions.

By participating in the Placing, Placees agree that the exercise by Canaccord Genuity of any right of termination or other discretion under the Placing Agreement shall be within its absolute discretion and that they do not need to make any reference to Placees and that Canaccord Genuity shall not have any liability to Placees whatsoever in connection with any such exercise and neither the Company nor the Selling Shareholders nor Canaccord Genuity nor any of their respective directors, officers, employees, agents or affiliates shall have any liability to Placees whatsoever in connection with any such exercise or failure so to exercise.

### **No Prospectus**

No offering document or prospectus has been or will be submitted to be approved by the FCA or submitted to the London Stock Exchange in relation to the Placing and no such prospectus is required (in accordance with the UK Prospectus Regulation or other applicable law) to be published and Placees' commitments will be made solely on the basis of the information contained in this document and any information publicly announced to a RIS by or on behalf of the Company on or prior to the date of this document and subject to the further terms set forth in the contract note to be provided to individual prospective Placees.

Each Placee, by participating in the Placing, agrees that its commitment will be made solely on the information contained in this document. Each Placee agrees that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of the Company, the Selling Shareholders or Canaccord Genuity or any other person and none of the Company, the Selling Shareholders, Canaccord Genuity or any of their respective affiliates will be

liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph should exclude or limit the liability of any person for fraudulent misrepresentation by that person.

### **Registration and settlement**

Settlement of transactions in the Placing Shares following Admission will take place within the CREST system administered by Euroclear, subject to certain exceptions. Canaccord Genuity and the Company reserve the right to require settlement for and delivery of the Placing Shares (or a portion thereof) to Placees in certificated form if delivery or settlement is not possible or practicable within the CREST system within the timetable set out in this document or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Each Placee allocated Placing Shares in the Placing will be sent a contract note by Canaccord Genuity stating the number of Placing Shares allocated to it at the Placing Price, the aggregate amount owed by such Placee to Canaccord Genuity and settlement instructions. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with the standing CREST or certificated settlement instructions in respect of the Placing Shares that it has in place with Canaccord Genuity.

It is expected that settlement will be on 6 December 2021 on a delivery versus payment basis in accordance with the instructions set out in the trade confirmation.

Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the CREST or certificated settlement instructions that it has in place with Canaccord Genuity. Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above LIBOR as determined by Canaccord Genuity.

Each Placee is deemed to agree that, if it does not comply with these obligations, Canaccord Genuity may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for Canaccord Genuity's account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and may be required to bear taxes or duties (together with any interest or penalties) imposed in any jurisdiction which may arise upon the sale of such Placing Shares on such Placee's behalf.

If Placees do not provide any CREST details or if the Placees provide insufficient CREST details to match within the CREST system to its details, Canaccord Genuity may at its discretion deliver the Placees' Placing Participation in certificated form provided payment has been made in terms satisfactory to Canaccord Genuity and all conditions in relation to the Placing have been satisfied or waived.

Subject to the conditions set out above, payment in respect of the Placees' Placing Participation is due as set out below. Each Placee should provide its settlement details in order to enable instructions to be successfully matched in CREST. The relevant settlement details are as follows:

CREST participant ID of Canaccord Genuity:	805
Expected trade date:	29 December 2021
Settlement date:	6 December 2021
ISIN code for the Placing Shares:	IL0011809428

Deadline for Placee to input instructions into CREST: 8:00 a.m. (UK time) on 6 December 2021

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the trade confirmation is copied and delivered immediately to the Relevant Person within that organisation. Placees will not be entitled to receive any fee or commission in connection with the Placing.

## **Representations and warranties and further terms**

By submitting a bid and/or participating in the Placing, each prospective Placee (and any person acting on such Placee's behalf) irrevocably acknowledges, confirms, undertakes, represents, warrants and agrees (as the case may be) to the Company, the Selling Shareholders and to Canaccord Genuity (in its capacity as agent of the Company and the Selling Shareholders) and their respective directors, agents and advisors, in each case as a fundamental term of its application for Placing Shares, that:

- (A) it has read and understood this document and these Terms and Conditions in their entirety and that its participation in the Placing and its acquisition of Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein and undertakes not to redistribute or duplicate this document;
- (B) (other than this document) no offering document or prospectus or offering document has been or will be prepared in connection with the Placing and it has not received and will not receive a prospectus or other offering document (other than this document) in connection with the Placing;
- (C) the Placing does not constitute a recommendation or financial product advice and Canaccord Genuity has not had regard to its particular objectives, financial situation and needs;
- (D) it has the power and authority to carry on the activities in which it is engaged, to subscribe and/or acquire Placing Shares and to execute and deliver all documents necessary for such acquisition;
- (E) that none of the Company, the Selling Shareholders, Canaccord Genuity, any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them has provided, and none of them will provide, it with any material regarding the Placing Shares or the Company or any other person other than information included in this document, nor has it requested Canaccord Genuity, the Selling Shareholders, the Company, any of their respective affiliates or any person acting on behalf of any of them to provide it with any such information;
- (F) has not relied on, received or requested, nor does it have any need to receive, any prospectus, offering memorandum, listing particulars or any other document other than this document describing the business and affairs of the Company which has been prepared for delivery to prospective investors in order to assist them in making an investment decision in respect of the Placing Shares. It further confirms, represents and warrants that it is not relying on any information given or any representations, warranties, agreements or undertakings (express or implied), written or oral, or statements made at any time by the Company, the Selling Shareholders or Canaccord Genuity or by any of their respective officers, directors, agents, employees or advisers, or any other person in connection with the Placing other than information contained in this document and none of Canaccord Genuity, the Selling Shareholders, the Company or any of their respective directors and/or employees and/or person(s) acting on behalf of any of them shall, to the maximum extent permitted under law, have any liability (except in the case of fraud) in respect of any such other information, representation, warranty, agreement, undertaking or statement. It irrevocably and unconditionally waives any right it may have in respect of such other information, representation, warranty, agreement, undertaking or statement. It further confirms, represents and warrants that in making its application under the Placing it will be relying solely on the information contained in this document and these Terms and Conditions and that it has reviewed this document, including the discussion of the conditions of the Placing Agreement, commission payable to Canaccord Genuity, and the risk factors relating to the Company, its operations and the Ordinary Shares;
- (G) (i) none of the Company, the Selling Shareholders, Canaccord Genuity or any of their respective affiliates has made any representations to it, express or implied, with respect to the Company, the Placing and the Placing Shares or the accuracy, completeness or adequacy of any publicly available information, and each of them expressly disclaims any liability in respect thereof; and (ii) it will not hold Canaccord Genuity or any of its affiliates responsible for any

misstatements in or omissions from any publicly available information. Nothing in this paragraph or otherwise in this document excludes the liability of any person for fraudulent misrepresentation made by that person;

- (H) it and each account it represents is not and at the time the Placing Shares are subscribed for or purchased, neither it nor the beneficial owner of the Placing Shares will be a resident of Australia, Canada, Japan, New Zealand, the Republic of South Africa or Israel or any other jurisdiction in which it is unlawful to make or accept an offer to acquire the Placing Shares and further acknowledges that the Placing Shares have not been and will not be registered under the securities legislation of Australia, Canada, Japan, New Zealand, the Republic of South Africa or Israel and, subject to certain exceptions, may not be offered, sold, transferred, taken up, renounced, distributed or delivered, directly or indirectly, within or into those jurisdictions;
- (I) it and each account it represents is outside the United States and will be (i) outside the United States at the time that any buy order for Placing Shares is originated by it; (ii) acquiring the Placing Shares in an "offshore transaction" as defined in Regulation S under the US Securities Act; and (iii) not acquiring any of the Placing Shares as a result of any form of "directed selling efforts" (within the meaning of Regulation S under the US Securities Act);
- (J) it understands, and each account it represents has been advised that, (i) the Placing Shares have not been and will not be registered under the US Securities Act or under the applicable securities laws of any state or other jurisdiction of the United States; (ii) the Placing Shares are being offered and sold only in an "offshore transaction" within the meaning of and pursuant to Regulation S under the US Securities Act; and (iii) no representation has been made as to the availability of any exemption under the US Securities Act or any relevant state or other jurisdiction's securities laws for the reoffer, resale, pledge or transfer of the Placing Shares;
- (K) it will not distribute, forward, transfer or otherwise transmit this document or any other materials concerning the Placing (including any electronic copies thereof), in or into the United States;
- (L) the content of this document is exclusively the responsibility of the Company and the Board and that neither Canaccord Genuity, nor any of its affiliates, agents, directors, officers or employees or any person acting on behalf of Canaccord Genuity has or shall have any liability for any information, representation or statement contained in this document or any information previously or subsequently published by or on behalf of the Company, and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this document or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to subscribe for or purchase the Placing Shares is contained in this document and any information previously published by the Company by notification to an RIS, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and that it has neither received nor relied on any other information given or representations, warranties or statements made by Canaccord Genuity or the Company or the Selling Shareholders and neither Canaccord Genuity nor the Company nor the Selling Shareholders will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement;
- (M) time shall be of the essence as regards obligations pursuant to these Terms and Conditions;
- (N) it is the responsibility of any person outside of the United Kingdom wishing to subscribe for or purchase Placing Shares to satisfy himself that, in doing so, he complies with the laws of any relevant territory in connection with such subscription or purchase and that he obtains any requisite governmental or other consents and observes any other applicable formalities;
- (O) it is acting as principal and for no other person and that its acceptance of the Placing Participation will not give any other person a contractual right to require the issue or transfer by the Company of any Placing Shares;
- (P) from the point at which a request for admission to trading on AIM is made by the Company, the Company and its financial instruments will be subject to the provisions of MAR and that it will observe the provisions of MAR in relation to the Company's financial instruments, including in relation to the control of any inside information;

- (Q) (i) if in the United Kingdom, it has complied with its obligations under the Criminal Justice Act 1993, FSMA, MAR and, in connection with money laundering and terrorist financing, under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000, the Terrorism Act 2006, and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017; and (ii) it is not a person: (a) with whom transactions are prohibited under the Foreign Corrupt Practices Act of 1977 or any economic sanction programmes administered by, or regulations promulgated by, the Office of Foreign Assets Control of the U.S. Department of the Treasury; (b) named on the Consolidated List of Financial Sanctions Targets maintained by HM Treasury of the United Kingdom; or (c) subject to financial sanctions imposed pursuant to a regulation of the European Union or a regulation adopted by the United Nations (together the “**Regulations**”) and the Money Laundering Sourcebook of the FCA and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;
- (R) if a financial intermediary, as that term is used in the UK Prospectus Regulation, that the Placing Shares subscribed for or purchased by it in the Placing will not be subscribed or purchased on a non-discretionary basis on behalf of, nor will they be subscribed for or purchased with a view to their offer or resale to, persons in the United Kingdom other than UK Qualified Investors, or in circumstances in which the prior consent of Canaccord Genuity has been given to the proposed offer or resale;
- (S) it and any person acting on its behalf falls within Article 19(5) and/or 49(2)(a) to (d) of the Order and undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Shares that are allocated to it for the purposes of its business only;
- (T) it has not offered or sold and will not offer or sell any Placing Shares to the public in the United Kingdom or any member state of the EEA except to qualified investors (as defined in the UK Prospectus Regulation and the EU Prospectus Regulation, respectively) or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of FSMA or within the meaning of the UK Prospectus Regulation, or an offer to the public in any member state of the EEA within the meaning of the EU Prospectus Regulation;
- (U) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;
- (V) it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving, the United Kingdom;
- (W) (a) if in a member state of the EEA, it is a an EU Qualified Investor; (b) if in the United Kingdom, it is a UK Qualified Investor and a person (i) having professional experience in matters relating to investments and who falls within the definition of ‘investment professionals’ in Article 19(5) of the Order; or (ii) who is a high net worth entity falling within Article 49(2)(a) to (d) of the Order; or (c) to whom this document may otherwise lawfully be communicated;
- (X) no action has been or will be taken by either the Company or Canaccord Genuity or any person acting on behalf of the Company or Canaccord Genuity that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required;
- (Y) (i) it and any person acting on its behalf is entitled to subscribe for or purchase the Placing Shares under the laws of all relevant jurisdictions which apply to it; (ii) it has paid any issue, transfer or other taxes due in connection with its participation in any territory; (iii) it has fully observed such laws and obtained all such governmental and other guarantees, permits, authorisations, approvals and consents which may be required thereunder and complied with all necessary formalities and that it has not taken any action or omitted to take any action which will or may result in Canaccord Genuity, the Company, the Selling Shareholders or any

of their respective affiliates, directors, officers, agents, employees or advisers acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Placing; and (iv) that the acquisition of the Placing Shares by it or any person acting on its behalf will be in compliance with applicable laws and regulations in the jurisdiction of its residence, the residence of the Company, or otherwise;

- (Z) it has all necessary capacity and has obtained all necessary consents and authorities to enable it to commit to its participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this document) and will honour such obligations;
- (AA) it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with the Terms and Conditions and this document, on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other persons or sold as Canaccord Genuity may in its absolute discretion determine and without liability to such Placee;
- (BB) its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares which it will be entitled, and required, to subscribe for or purchase, and that Canaccord Genuity or the Company may call upon it to subscribe for or purchase a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;
- (CC) neither it, nor the person specified by it for registration as holder of Placing Shares is, or is acting as nominee or agent for, and that the Placing Shares will not be allotted or transferred to, a person who is or may be liable to stamp duty or stamp duty reserve tax under any of sections 67, 70, 93 and 96 of the Finance Act of 1986 (depository receipts and clearance services) and the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to issue or transfer Placing Shares into a clearance system;
- (DD) neither the Company nor the Selling Shareholders nor Canaccord Genuity will be responsible for any liability to stamp duty or stamp duty reserve tax or other similar taxes resulting from a failure to observe the requirement in (CC) above. Each Placee and any person acting on behalf of such Placee agrees to indemnify on an after-tax basis and hold harmless the Company, Selling Shareholders and Canaccord Genuity and their respective affiliates, agents, directors, officers and employees in respect of any such liability and each Placee and any person acting on behalf of such Placee agrees that, on Admission becoming effective, the Placing Shares will be allotted to the stock account of Canaccord Genuity who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;
- (EE) neither Canaccord Genuity nor any of its affiliates, agents, directors, officers or employees nor any person acting on behalf of any of them, is making any recommendations to it or, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of Canaccord Genuity and that Canaccord Genuity does not have any duties or responsibilities to it for providing the protections afforded to Canaccord Genuity 's clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
- (FF) in making any decision to subscribe for the Placing Shares, it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for and/or acquiring the Placing Shares. It further confirms that it is experienced in investing in securities of this nature in this sector and is aware that it may be required to bear, and is able to bear, the economic risk of participating in, and is able to sustain a complete loss in connection with, the Placing. It further confirms that it relied on its own examination and due diligence of the Company and its associates taken as a whole, and the terms of the Placing, including the merits and risks involved, and not upon any view expressed or information provided by or on behalf of Canaccord Genuity;

- (GG) in connection with the Placing, Canaccord Genuity and any of its affiliates acting as investors for their own account may take up Placing Shares in the Company and in that capacity may subscribe for, retain, purchase or sell for their own account such Ordinary Shares in the Company and any securities of the Company or related investments and may offer or sell such securities or other investments otherwise than in connection with the Placing. Canaccord Genuity does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so;
- (HH) these Terms and Conditions and any agreements entered into by it pursuant to these Terms and Conditions and any non-contractual obligations arising out of or in connection with such agreements shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or Canaccord Genuity in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;
- (II) the Company, the Selling Shareholders, Canaccord Genuity and their respective affiliates and others will rely upon the truth and accuracy of acknowledgements, representations, warranties and agreements set forth herein and which are given to Canaccord Genuity on its own behalf and on behalf of the Company and are irrevocable and it irrevocably authorises the Company and Canaccord Genuity to produce any announcement, pursuant to, in connection with, or as may be required by any applicable law or regulation, administrative or legal proceeding or official inquiry with respect to the matters set forth herein. It agrees that if any of the acknowledgements, representations, warranties and agreements made in connection with its subscribing and/or acquiring of Placing Shares is no longer accurate, it shall promptly notify the Company and Canaccord Genuity;
- (JJ) it will indemnify on an after-tax basis and hold the Company, the Selling Shareholders, Canaccord Genuity and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in these Terms and Conditions and further agrees that the provisions of these Terms and Conditions shall survive after completion of the Placing;
- (KK) neither the Company, the Selling Shareholders nor Canaccord Genuity owe any fiduciary or other duties to any Placee in respect of any acknowledgements, confirmations, undertakings, representations, warranties or indemnities in the Placing Agreement;
- (LL) its acquisition of Placing Shares is in full compliance with applicable laws and regulations;
- (MM) acknowledges and agrees that it irrevocably appoints any director of Canaccord Genuity as its agent for the purposes of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares agreed to be taken up by it under the Placing;
- (NN) represents and warrants that it will provide Canaccord Genuity with such relevant documents as it may reasonably request to comply with requests or requirements that either they or the Company may receive from regulators in relation to the Placing, subject to its legal, regulatory and compliance requirements and restrictions; and
- (OO) its commitment to take up Placing Shares on the Terms and Conditions will continue notwithstanding any amendment that may or in the future be made to these Terms and Conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company or Canaccord Genuity's conduct of the Placing.

The foregoing acknowledgements, confirmations, undertakings, representations and warranties are given for the benefit of each of the Company, the Selling Shareholders and Canaccord Genuity (for their own benefit and, where relevant, the benefit of their respective affiliates and any person acting on their behalf) and are irrevocable.

Neither the Company, the Selling Shareholders nor Canaccord Genuity is liable to bear any capital duty, stamp duty or any other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable in or outside the United Kingdom by any Placee or any other person on a Placee's acquisition of any Placing Shares or the agreement by a Placee to acquire any Placing Shares. Each Placee agrees to indemnify on an after-tax basis and hold harmless the Company, the Selling Shareholders, Canaccord Genuity and their respective affiliates, agents, directors, officers and employees from any and all such capital duty, stamp duty and other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including interest, fines or penalties relating thereto).

Each Placee should seek its own advice as to whether any of the above tax liabilities arise and notify Canaccord Genuity accordingly.

Each Placee and any person acting on behalf of each Placee acknowledges and agrees that Canaccord Genuity or any of its affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares.

When a Placee or person acting on behalf of the Placee is dealing with Canaccord Genuity, any money held in an account with Canaccord Genuity on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FCA made under FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from Canaccord Genuity's money in accordance with the client money rules and will be used by Canaccord Genuity in the course of its own business; and the Placee will rank only as a general creditor of Canaccord Genuity.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

The rights and remedies of Canaccord Genuity, the Selling Shareholders and the Company under these Terms and Conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others. If a Placee is a discretionary fund manager, he may be asked to disclose, in writing or orally, to Canaccord Genuity the jurisdiction in which the funds are managed or owned.

All times and dates in this document may be subject to amendment. Canaccord Genuity shall notify the Placees and any person acting on behalf of the Placees of any changes.

In this Part V, "after-tax basis" means in relation to any payment made to the Company, the Selling Shareholders, Canaccord Genuity or their respective affiliates, agents, directors, officers and employees pursuant to this Part V that such payment shall be calculated in such a manner as will ensure that, after taking into account (i) any tax required to be deducted or withheld from the payment; (ii) the amount and timing of any additional tax which becomes payable by the recipient as a result of the payment's being subject to tax in the hands of the recipient of the payment, and (iii) the amount and timing of any tax benefit which is obtained by the recipient of the payment to the extent that such tax benefit is attributable to the matter giving rise to the payment or to the entitlement to, or receipt of, the payment, or to any tax required to be deducted or withheld from the payment, the recipient of the payment is in the same after-tax position as that in which it would have been if the matter giving rise to the payment had not occurred.

DATED: 30 November 2021

