# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, DC 20549**

# FORM 8-K

**CURRENT REPORT**
**Pursuant to Section 13 or 15(d) of the**
**Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): July 7, 2026

# WRAP TECHNOLOGIES, INC.
**(Exact name of Registrant as specified in its Charter)**

| Delaware | 001-38750 | 98-0551945 |
|---|---|---|
| (State or other jurisdiction of incorporation) | (Commission File No.) | (IRS Employer Identification No.) |

3480 Main Hwy, Suite 202, Miami, Florida 33133
(Address of principal executive offices) (Zip code)

(800) 583-2652
(Registrant's Telephone Number)

Not Applicable
(Former name or address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock, par value $0.0001 per share | WRAP | Nasdaq Capital Market |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2) ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act ☐

**Item 1.01. Entry into a Material Definitive Agreement.**

*Frenel Investment*

On July 7, 2026, Wrap Technologies, Inc. (the "Company") entered into a securities purchase agreement (the "Purchase Agreement") by and among the Company, Frenel Imaging Ltd., a company incorporated under the laws of the State of Israel ("Frenel"), and the other investors (the "Investors")listed on the signature pages thereto, pursuant to which, (the "Investors").Pursuant to the Purchase Agreement, the Company purchased in a private placement an aggregate of 74,918 Series A Preferred Shares, par value NIS 0.01 per share (the "Preferred Shares"), of Frenel at a purchase price of $26.6959 per share, for an aggregate purchase price of $2,000,000 ($300,000 of which was already paid by the Company pursuant to that certain advance investment and interim limited license agreement, dated as of March 6, 2026, by and between the Company and Frenel) (collectively, the "Financing Transaction"). The closing of the Financing Transaction occurred on July 8, 2026 (the "Closing Date").

Pursuant to the Purchase Agreement, each Investor has an irrevocable right, but not the obligation, to make additional investments in Frenel in one or more additional closings of up to an aggregate of $2,500,000 collectively among all Investors, in consideration for Series A-2 Preferred Shares ("A-2 Preferred Shares"), par value NIS 0.01 per share, of Frenel, having the same rights, restrictions, preferences, privileges, and protections as the Preferred Shares. Such additional investment right may be exercised at any time until twenty-four (24) months following the initial closing under the Purchase Agreement, and the purchase price for the A-2 Preferred Shares will be based on a pre-money valuation of $18,500,000 on a fully diluted basis, determined immediately following the deferred closing. If the aggregate optional investment amounts subscribed for by all Investors exceed $2,500,000, each participating Investor's optional investment amount will be reduced pro rata based on the respective financing amounts of the participating Investors.

The Purchase Agreement contains certain representations and warranties, covenants and indemnification provisions customary for similar transactions. The representations, warranties and covenants contained in the Purchase Agreement were made solely for the benefit of the applicable parties to the Purchase Agreement and may be subject to limitations agreed upon by the applicable contracting parties.

*Preferred Shares*

The rights, restrictions, preferences, privileges, and protections of the Preferred Shares are governed by the Amended and Restated Articles of Association of Frenel (the "Articles").the Preferred Shares are convertible into ordinary shares of Frenel, par value NIS 0.01 per share ("Ordinary Shares"), at any time at the option of the holder thereof, subject to certain exceptions, at the conversion price of $26.6959, subject to certain adjustments as provided for in the Articles.

The holders of Preferred Shares are entitled to vote on an as-converted to Ordinary Shares basis with holders of ordinary shares of Frenel, par value NIS 0.01 per share ("Ordinary Shares").

In the event that dividends are declared and distributed, holders of Preferred Shares shall be entitled to receive dividends pari passu, on an as-converted basis, with the holders of Ordinary Shares. In the event of a liquidation, dissolution or winding up of Frenel, the holders of Preferred Shares are entitled to receive, on a pari-passu basis (based upon shares held on an as converted basis) prior and in preference to the holders of Ordinary Shares, out of available funds an amount per share equal to the greater of (i) $26.6959 (and all declared but unpaid dividends, if any) and less prior dividends or distributions (the "Preferred Preference Amount"), or (ii) the amount per Preferred Share that each holder thereof would have been entitled to had such Preferred Share been converted into Ordinary Shares (without having to actually convert) (the "Pro Rata Amount"). The Preferred Shares will be automatically converted to Ordinary shares upon an initial public offering of the Ordinary Shares. Pursuant to the Articles, the Company is entitled to, prior to any initial public offering of the Ordinary Shares and so long as the Company holds at least 80% of the Preferred Shares, a right of first refusal and co-sale rights with respect to any sale of shares of Frenel.

*Amended and Restated Investors' Rights Agreement*

In connection with the Purchase Agreement, the Company entered into an Amended and Restated Investors' Rights Agreement, dated July 7, 2026, by and among the Company, Frenal and other certain Frenel shareholders (the "IRA"). Pursuant to the IRA, the Company was granted certain additional rights as a holder of the Preferred Shares, including, among others, registration rights, information rights and inspection rights, subject to certain confidentiality obligations.

*Exclusive Distribution License Agreement*

On July 7, 2026 (the "Effective Date"), the Company and Frenel entered into an exclusive distribution license agreement (the "License Agreement"), pursuant to which, Frenel granted to the Company an exclusive license to market, sell, distribute, integrate, and provide Frenel's proprietary image processing software for polarimetric thermal imaging (the "Company Product") to customers within the United States of America (the "Territory") and, outside the Territory, to NATO agencies and member-state customers through U.S. Department of Defense-funneled Foreign Military Financing and Foreign Military Sales transactions ("NATO Customers").

The distribution license is exclusive for an initial exclusivity period of four (4) years from the Effective Date, subject to the Company's continuous satisfaction of certain minimum annual commitment milestones described below. The License Agreement commences on the Effective Date and continues until terminated in accordance with its terms. Certain pre-existing relationships of Frenel (the "Excluded Relationships"), including engagements with DRS/RADA/Leonardo DRS, Redwire Inc., Polaris Sensor Technologies, Moxtek, Sierra Olympia Technologies, Eoptic, Atlantic Bridge Solutions/ANC Group, and CET Sandbox, are excluded from the exclusivity grant for an initial period of twelve (12) months (extendable by an additional six months) during which Frenel may convert those relationships into definitive agreements. After such period, any unconverted Excluded Relationships become subject to the Company's exclusive distribution rights.

The Company's exclusivity is conditioned upon meeting certain performance milestones. By the twelve (12)-month anniversary of the Effective Date, the Company must establish a U.S. value chain and marketing base, complete at least three (3) product demonstrations, initiate at least one (1) active pilot program, respond to at least one (1) request for quotation, and conduct at least ten (10) meetings with high-level decision makers. By the twenty-four (24) month anniversary, the Company must have executed at least one (1) customer agreement for the purchase or subscription of the Company Product. By the thirty-six (36) month anniversary, cumulative net revenue to Frenel from sales executed by the Company must exceed $3,000,000. Failure to achieve any milestone, after applicable cure periods of 120 days for the first milestone and 90 days for subsequent milestones, results in the automatic conversion of the exclusive license to a non-exclusive license for the remainder of the term.

Either party may terminate the License Agreement upon a material breach by the other party that remains uncured for thirty (30) days following written notice. Frenel may terminate if the Company fails to meet the minimum annual commitments (commencing at the second anniversary of the Effective Date) upon thirty (30) days' notice. Either party may terminate immediately upon the other's bankruptcy or insolvency. Frenel may also terminate upon ninety (90) days' notice if the Company undergoes a change of control in which the acquirer is a direct competitor of Frenel. Upon termination (other than for the Company's breach), the Company is entitled to a twelve (12)-month "Tail Period" during which it continues to receive its revenue share on up to ten (10) advanced customer prospects then pending.

For products sourced from Frenel's Israeli operations, the Company has agreed to pay Frenel a quoted base price plus a ten percent (10%) revenue share of net funds invoiced to the end customer. For U.S. sourced or alternative supply chain products, Frenel receives its base price (as mutually agreed) plus a ten percent (10%) revenue share of net funds. The revenue share constitutes the sole and exclusive compensation to the Company under the License Agreement. Payments are due within thirty (30) days of the Company's receipt of corresponding customer payments and a valid invoice from Frenel.

The License Agreement requires that Scot Cohen, the Company's Chairman and Chief Executive Officer, and Jared Novick, the Company's President and Chief Operating Officer, remain materially and actively involved in the Company's performance under the License Agreement during the term and any applicable Tail Period. A material reduction in the involvement of either key person triggers notice and replacement procedures. If such a reduction is not resolved within the prescribed period, Frenel may convert the exclusive license to a non-exclusive license upon forty-five (45) days' written notice.

Pursuant to the License Agreement, Frenel retains all intellectual property rights in the Company Product and related proprietary technology. The Company retains all rights in its own intellectual property. Any intellectual property jointly developed under a separate statement of work will be jointly owned by the parties.

The License Agreement also contains customary representations and warranties, indemnification provisions, confidentiality obligations, non-compete restrictions, and other miscellaneous terms customary for similar transactions.

The foregoing descriptions of terms and conditions of the Purchase Agreement, the IRA and the License Agreement do not purport to be complete and are qualified in their entirety by the full text of the Purchase Agreement, the IRA and the License Agreement, copies of which are attached hereto as Exhibits 10.1, 10.2 , and 10.3 respectively.

**Item 8.01 Other Events.**

On July 7, 2026, the Company issued a press release announcing the License Agreement. A copy of the press release is attached as Exhibit 99.1 hereto.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

| Exhibit No. | Description |
|---|---|
| 10.1* | Securities Purchase Agreement, dated July 7, 2026, by and among the Company, Frenel Imaging Ltd. and certain other investors listed on the signature paged thereto |
| 10.2* | Amended and Restated Investors' Rights Agreement, dated July 7, 2026, by and among the Company, Frenel Imaging Ltd. and certain Frenel Imaging Ltd. shareholders listed on the signature pages thereto. |
| 10.3* | Exclusive Distribution and License Agreement, dated July 7, 2026, by and between the Company and Frenel Imaging Ltd. |
| 99.1 | Press Release, dated July 7, 2026. |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL) |

* Certain of the schedules (and similar attachments) to this exhibit have been omitted in accordance with Item 601(a)(5) of Regulation S-K under the Securities Act because they do not contain information material to an investment or voting decision and that information is not otherwise disclosed in the exhibit or the disclosure document. The registrant hereby agrees to furnish a copy of all omitted schedules (or similar attachments) to the SEC upon its request.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

| | |
|---|---|
| | **WRAP TECHNOLOGIES, INC.** |
| Date: July 13, 2026 | By: */s/ Scot Cohen* |
| | Scot Cohen |
| | Chief Executive Officer and Chairman of the Board |

**Exhibit 10.1**

**FRENEL IMAGING LTD.**

**SERIES A PREFERRED SHARE PURCHASE AGREEMENT**

THIS SERIES A PREFERRED SHARE PURCHASE AGREEMENT (this "**Agreement**"), is made as of the 7th day of July 2026 (the "**Effective Date**"), by and among **Frenel Imaging Ltd.**, a company incorporated under the laws of the State of Israel (the "**Company**"), the individuals and entities listed on Exhibit A-1 (the "**Investors**"), and the individuals and entities listed on Exhibit A-2 attached hereto (the "**SAFE Investors**", and together with the Investors, the "**Purchasers**").

Recitals

**WHEREAS**, prior to the date hereof (i) the SAFE Investors have made available to the Company a convertible financing in the aggregate amount of US$ 2,000,000 (the "**SAFE Financing Amount**") pursuant to those certain Simple Agreements for Future Equity by and between the SAFE Investors and the Company, previously extended to the Company (the "**SAFEs**"); and (ii) Wrap Technologies, Inc. (the "**Lead Investor**") has extended to the Company a bridge investment in an aggregate amount of US$ 300,000 (the "**Bridge Financing Amount**") pursuant to the Advance Investment and Interim Limited License Agreement, dated as of March 6, 2026, by and between the Company and the Lead Investor;

WHEREAS, the Board of Directors of the Company (the "**Board**") has determined that it is in the best interests of the Company to (i) raise capital by means of issuance of the Company's Series A Preferred Shares, each having a par value of NIS 0.01 (the "**Preferred A Shares**") to the Investors, at a purchase price of US$ 26.6959 per each Preferred A Share (the "**Preferred A PPS**") for an aggregate investment amount of up to US$2,400,000, which shall be inclusive of the Bridge Financing Amount (the "**Financing Amount**"); and (ii) convert the SAFE Financing Amount previously provided to the Company pursuant to the SAFEs, by means of issuance of the Company's Series A-1 Preferred Shares, each having a par value of NIS 0.01 (the "**Preferred A-1 Shares**"), to the SAFE Investors, at a conversion price of US$ 21.3567 per each Preferred A-1 Share (the "**Preferred A-1 PPS**"), as more fully set forth in this Agreement; and

WHEREAS, the Purchasers desire to purchase and the Company desires to issue and sell to the Purchasers Preferred A Shares and Preferred A-1 Shares, as applicable, pursuant to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Sale and Issuance of Shares;

1.1 Subject to the terms and conditions hereof, the Company shall sell and issue to the Investors, and the Investors shall purchase, severally and not jointly, from the Company, according to the allocation set forth in Exhibit A-1, for an aggregate purchase price of US$ 2,400,000 (the "**Closing Purchase Price**"), out of which, the Lead Investor shall invest at the Initial Closing (as defined below) a minimum aggregate investment amount of US$ 2,000,000 (which includes the Bridge Financing Amount), for an aggregate of 74,918 Preferred A Shares (the "**Closing Purchased Shares**") at the Preferred A PPS, reflecting a pre-money valuation on a Fully-Diluted Basis (as defined below) of US$ 11,333,333.

1.2 For the avoidance of doubt, the Bridge Financing Amount shall be credited dollar-for-dollar against the Lead Investor's Closing Purchase Price, and the Lead Investor shall only be required to fund the balance of its Closing Purchase Price at the Initial Closing.

1.3 The Company's Preferred A Shares and Preferred A-1 Shares shall have the rights, preferences and privileges set forth in the Amended and Restated Articles of Association of the Company attached hereto as Schedule 1.2.

1.4 In this Agreement, "Fully-Diluted Basis" shall mean all issued and outstanding shares of the Company, including but not limited to (i) all Ordinary Shares, each having a par value of NIS 0.01 (the "**Ordinary Shares**"), Preferred Seed Shares, each having a par value of NIS 0.01 (the "**Preferred Seed Shares**"), Preferred A Shares and Preferred A-1 Shares (being deemed converted to Ordinary Shares); (ii) all equity securities convertible or exercisable into shares (being deemed so converted); (iii) all convertible investments, financings or loans (being deemed so converted); (iv) all outstanding and promised options, warrants and other rights to acquire shares or other securities exercisable for shares (being deemed allocated and so exercised); and (v) any adjustments of the number of issued shares triggered by or in connection with the transaction contemplated by this Agreement (if any), including anti-dilution adjustment.

1.5 Conversion of SAFE Financing Amount. At and subject to the Initial Closing, the respective portion of the SAFE Financing Amount invested by each SAFE Investor will convert into Preferred A-1 Shares at the conversion price of the Preferred A-1 PPS, and issued to such SAFE Investor pursuant to the terms and conditions of the respective SAFE of each such SAFE Investor, as set forth in Exhibit A-2 (the "**SAFE Conversion Shares**", and together with the Closing Purchased Shares, the "**Closing Shares**"). By executing and delivering this Agreement, the Company and each SAFE Investor hereby irrevocably and unconditionally agree that automatically and immediately upon such issuance, (i) the issued SAFE Conversion Shares will be deemed full and absolute consideration therefor, (ii) the Company will have no further obligations with respect to the SAFEs, and no further action shall be required on the part of the Company, (iii) the SAFEs will be terminated and be of no further force or effect, (iv) all rights and privileges granted by the Company to the SAFE Investors (whether provided in written form or orally) associated with the SAFEs are waived, terminated and of no further force and effect, and (v) in any conflict between the terms of the SAFEs and the terms of this Agreement arises, the terms of this Agreement shall prevail. Each SAFE Investor hereby waives such SAFE Investor's right to notices, if any, under the SAFEs in connection with the conversion hereunder.

2. Closing of Issue and Purchase.

2.1 Initial Closing. Subject to the terms and conditions hereof, the purchase and sale of the Closing Shares (the "**Initial Closing**," and together with the Deferred Closing(s) and the Additional Closing(s), each, a "**Closing**"), shall take place remotely via the exchange of documents and signatures, on the date hereof, or such other time and place the Company and the Lead Investor mutually agree upon (the "**Initial Closing Date**," and together with Additional Closing Date, each, a **"Closing Date**").

2.2 Transactions at the Initial Closing. At the Initial Closing, the following transactions shall occur, which transactions shall be deemed to take place simultaneously and no transaction shall be deemed to have been completed or any document delivered until all such transactions have been completed and all required documents delivered:

2.2.1 The Company shall deliver to the Lead Investor the following documents or cause the following actions to be completed:

(a) True and correct duly executed copies of written resolutions of the Company's shareholders in the form attached hereto as Schedule 2.2.2(a)A including: (i) approving this Agreement, the Investor Rights Agreement (as defined below), and the other agreements and transactions contemplated herein; (ii) amending the Articles of Association of the Company to the form of Amended and Restated Articles of Association of the Company attached hereto as Schedule 1.2 (the "**Amended Articles**"), to be filed with the Israeli Registrar of Companies (the "**Registrar**"); (iii) authorizing the creation of a new class of Preferred A Shares, and of a new class of Preferred A-1 Shares, in such amounts sufficient for the issuances of the Closing Shares and the Additional Shares (as defined below), each having the rights, privileges, preferences and restrictions as described in the Amended Articles; (iv) a waiver of preemptive rights from any shareholder entitled to preemptive rights in connection with the transactions contemplated herein, and (v) approving all other transactions contemplated hereunder;

(b) Fully executed resolutions of the Board, adopted by unanimous written consent in the form attached hereto as Schedule 2.2.1(b), recommending, authorizing and approving, among other things, the issues and actions listed in 2.2.1(a) above;

(c) Validly executed share certificates or a book-entry statement, as applicable, representing the Closing Shares, issued in the names of the applicable Purchasers, in the form attached hereto as Schedule 2.2.1(c);

(d) A certificate duly executed by the interim chief executive officer of the Company, dated as of the Initial Closing Date, in the form attached hereto as Schedule 2.2.1(d) (the "**Compliance Certificate**");

(e) Executed copies of indemnity agreements with each of the persons appointed as directors of the Company in the form attached hereto as Schedule 2.2.1(e) (the "**Indemnification Agreements**");

(f) The Company shall register the allotment of the Closing Shares to the Purchasers in the shareholders register of the Company (the "**Shareholder Register**"), to be attached hereto as Schedule 2.2.1(f);

(g) The Amended and Restated Investors Rights Agreement in the form attached hereto as Schedule 2.2.1(g) (the "**Investors Rights Agreement**"), duly executed by the Company and any other party thereto, other than the Purchasers;

(h) A share repurchase agreement in the form attached hereto as Schedule 2.2.1(h) (the "**Share Repurchase Agreement**"), duly executed by the Company and Sagi Zur Arie (the "**Key Person**"), according to which, among other things, 12,000 of the Key Person's Ordinary Shares will be subject to a reverse vesting mechanism for a period of twenty-four (24) months following the Initial Closing Date, all subject to the terms of the Repurchase Agreement;

(i) A duly executed Distribution License Agreement, between the Company and the Lead Investor, in the form attached hereto as Exhibit 2.2.1(i); and

(j) The Company shall have delivered a certificate of good standing from its jurisdiction of incorporation, to the extent such concept is applicable in such jurisdiction.

2.2.2 The Purchasers shall deliver to the Company the following documents:

(a) Lead Investor shall deliver to the Company a letter of appointment of the director on its behalf made in accordance with the Amended Articles and duly executed by the Lead Investor in the form attached hereto as Schedule 2.2.2(a).

(b) Any identification documents required for the purpose of making the filings to the Registrar in connection with this Agreement and the transactions contemplated hereby;

(c) The Indemnification Agreement, duly executed by the director appointed by the Lead Investor; and

(d) Each Investor shall, severally and not jointly, cause the transfer to the Company of its respective portion of the Financing Amount, by wire transfer of immediately available funds according to the Company's wire instructions to the Company's bank account as set forth in Schedule 2.2.2(d) (details of which will be provided by the Company in writing prior to the Initial Closing).

(e) Lead Investor shall execute and deliver to the Company a foreign shareholder undertaking as required to be filed with the Israeli Innovation Authority (the "**IIA**"), in the form attached hereto as Schedule 2.2.2(e) (the "**IIA Undertaking**").

2.3 Deferred Closing; Additional Closing(s).

2.3.1 Subject to the terms hereof, the Company may, at any time within 180 days following the Initial Closing (as may be extended with the written consent of the Lead Investor; the "**Deferred Closing**"), sell and issue to additional investors, subject to the prior written consent of the Lead Investor, not to be unreasonably withheld, except that the Lead Investor may withhold consent in its sole discretion with respect to any competitor, strategic investor, foreign government-affiliated investor, investor reasonably likely to raise regulatory, export control, sanctions, IIA, CFIUS, national security, or competitive concerns, or investor receiving rights more favorable than those granted to the Lead Investor (the "**Additional Investors**", which such term shall be included in the definition of the term "Investors"), and the Additional Investor(s) may purchase from the Company, at the Preferred A PPS, for an aggregate additional investment amount of up to US$ 400,000 (the "**Additional Investment**"), up to 14,984 Preferred A Shares (the "**Additional Shares**") at one or more Deferred Closing(s). Any purchase of Additional Shares shall be made by the Additional Investor by executing a joinder agreement to this Agreement and to the Investors Rights Agreement, upon which, each such Additional Investor shall become a party to this Agreement and the other transaction documents and shall be deemed an "Investor" under this Agreement, and (except as explicitly set forth herein and therein) the Additional Investor(s) shall enjoy all rights and be bound by all obligations as the Investors under this Agreement, the Investor Rights Agreement and the Amended Articles, other than specific rights and/or obligations pertaining to a shareholder by its name. In addition, upon the consummation of the Deferred Closing(s), the name and address of the Additional Investor and the number of the respective portion of the Additional Investment and Additional Shares issued to the applicable Additional Investor, shall be added to Exhibit A, as applicable. The Closing Shares and the Additional Shares shall be collectively referred herein as "**Shares**".

2.3.2 Each Investor shall each, severally and not jointly, have the irrevocable right (but not the obligation), to provide additional capital to the Company in one or more subsequent investments up to an aggregate amount of US$ 2,500,000 collectively among all Investors (the funded amount, the "**Optional Investment Amount**" and the maximum amount that may be funded, the "**Maximum Investment Amount**"). Subject to the satisfaction of the applicable conditions by the Company set forth in Section 7, such additional capital may be funded by an Investor at any time following the Initial Closing Date, and until twenty-four (24) months following the Initial Closing Date (each such closing, "**Additional Closing**," and each closing date of such Additional Closing, "**Additional Closing Date**"). Notwithstanding the foregoing, in the event that the aggregate Optional Investment Amounts subscribed to by all Investors in one or more Additional Closing collectively exceed the Maximum Investment Amount, the Optional Investment Amount of each participating Investor in the applicable Additional Closing shall be reduced pro rata based on the respective Financing Amounts of each such Investor relative to the aggregate Financing Amounts of all Investors participating in such Additional Closing, such that the total aggregate Optional Investment Amount funded shall not exceed the Maximum Investment Amount.

(a) Security Issued. Any Optional Investment Amount funded by an Investor pursuant to this Section shall be issued as Series A-2 Preferred Shares, each having a par value of NIS 0.01 (the "**Preferred A-2 Shares**") of the Company, having the same rights, preferences, privileges, and protections as Series A Preferred Shares (with appropriate variations for the new series of shares).

(b) Valuation. The purchase price for any securities issued to an Investor pursuant to the Optional Investment Amount shall be based on a pre-money valuation of US$ 18,500,000 on a Fully-Diluted Basis, as of immediately following the Deferred Closing.

(c) Exercise Mechanics. Each Investor may exercise this right in whole or in part, by delivering written notice to the Company specifying the Optional Investment Amount it elects to fund. Upon delivery of such notice and receipt of the applicable investment funds, the Company shall be obligated to issue the applicable preferred shares to such Investor promptly, subject only to the execution of customary subscription or purchase documentation consistent with the terms set forth herein.

3. Representations and Warranties of the Company and the Founders. The Company hereby represents and warrants to the Purchasers as of the date hereof and as of the date of the Initial Closing, and acknowledges that the Purchasers are entering into this Agreement in reliance thereon, as follows, except as set forth in the Disclosures Schedule attached hereto as Schedule 3:

3.1 Organization. The Company is duly organized and validly existing under the laws of the State of Israel, and has full corporate power and authority to own, lease and operate its properties and assets and to conduct its business. The Company has all requisite power and authority to execute and deliver this Agreement and all other agreements contemplated hereby, or which are ancillary hereto and to consummate the transactions and perform its obligations contemplated hereby and thereby. The Company is qualified to do business or in good standing in any jurisdiction in which the failure to so qualify would have a material adverse effect on the business, assets (including intangible assets), condition, property or results of operations of the Company ("**Material Adverse Effect**"). The Articles of Association of the Company as in effect prior to the Initial Closing and the adoption of the Amended Articles are attached hereto as Schedule 3.1 of the Disclosure Schedule.

3.2 Share Capital.

3.2.1 The authorized share capital of the Company immediately prior to the Initial Closing, but following the adoption of the Amended Articles, shall consist of NIS 10,000 comprised as follows:

(a) 764,732 Ordinary Shares, of which 166,666 are issued and outstanding;

(b) 98,040 Preferred Seed Shares, of which 58,824 are issued and outstanding;

(c) 74,918 Preferred A Shares, none of which shall be issued and outstanding; and

(d) 62,311 Preferred A-1 Shares, none of which shall be issued and outstanding.

Except as set forth in Schedule 3.2.1 of the Disclosure Schedule and except as set forth in this Agreement and the Amended Articles, there are no other share capital, preemptive rights (other than as set forth in the Amended Articles), convertible securities, outstanding warrants, options or other rights to subscribe for, purchase or acquire from the Company any capital of the Company, and there are not any contracts or binding commitments providing for the issuance of, or the granting of rights to acquire, any capital of the Company or under which the Company is, or may become, obligated to issue any of its securities. All issued and outstanding capital of the Company has been duly authorized, and is validly issued and outstanding and fully paid and non-assessable.

3.2.2 The Shares, when issued in accordance with this Agreement, will be duly authorized, validly issued, fully paid, non-assessable, free of any restrictions (including, without limitation, preemptive rights or rights of first refusal), other than restrictions under this Agreement, the Amended Articles, or the provisions of the Law of Encouragement of Industrial Research and Development 5744-1984 and the regulations thereunder (the **"IIA Provisions"**) and will have the rights, preferences, privileges, and restrictions set forth in the Amended Articles, and will be free and clear of any liens, pledges, security interests, claims, charges, encumbrances, options to purchase, proxies, voting trusts and other voting agreements, calls or commitments of any kind or other rights of third parties of any kind (except as specified in the Amended Articles, and/or the IIA Provisions) (the "**Encumbrances**") and duly registered in the name of the applicable Purchaser in the Company's Shareholders Register.

3.3 Ownership of Shares. Attached as Schedule 3.3 of the Disclosure Schedule is a capitalization table setting forth the share capital of the Company on a Fully-Diluted Basis, as of immediately prior to the Initial Closing and immediately following the Initial Closing, reflecting the issued and outstanding share capital of the Company on a Fully-Diluted Basis, immediately following the Deferred Closing, assuming the investment of the full Financing Amount, the issuance of the maximum number of Additional Shares and conversion of the SAFE Financing Amount, and disregarding any equity securities that may be issued following the Initial Closing other than the Additional Shares.

3.4 Subsidiaries. Other than the entity listed on Schedule 3.4 of the Disclosure Schedule (the "**Subsidiary**"), the Company does not own any of the issued and outstanding share capital of any company, and is not a participant in any partnership, joint venture or other business association.

3.5 Directors, Officers. Immediately prior to the Initial Closing, the only directors of the Company are as disclosed in Schedule 3.5(a) of the Disclosure Schedule. The Company has no agreement, obligation or commitment with respect to the election of any individual or individuals to the Board and there is no voting agreement or other arrangement among the Company's shareholders, except as disclosed in the Amended Articles. Immediately prior to the Initial Closing, the officers of the Company are listed in Schedule 3.5(b) of the Disclosure Schedule. Except as set forth in Schedule 3.5(c) of the Disclosure Schedule, each officer of the Company is currently devoting one hundred percent (100%) of his or her business time to the conduct of the business of the Company. Except as set forth in Schedule 3.5(c) of the Disclosure Schedule, to the Company's knowledge no officer of the Company is planning to work less than full-time at the Company in the future. All agreements, commitments and understandings, whether written or oral, with respect to any compensation to be provided to any of the Company's directors and officers have been fully disclosed in writing to Lead Investor.

3.6 Financial Status.

(a) The Company has made available to the Lead Investor its audited financial statements as of December 31, 2025, and its unaudited financial statements as of March 31, 2026 (collectively, the "**Financial Statements**"). The Financial Statements are in accordance with the books and records of the Company and have been prepared in accordance with US generally accepted accounting principles ("**GAAP**"), consistently applied (provided that the unaudited financial statements are subject to year-end adjustments and do not contain notes) and are true and accurate in all material respects and fairly present the financial condition, results of operations, and the cash flows of the Company as of the relevant dates and for the relevant periods.

(b) Except as set forth in the Financial Statements and/or in Schedule 3.6(b) of the Disclosure Schedule, the Company has no material liabilities or obligations, contingent or otherwise, other than (i) liabilities incurred in the ordinary course of business subsequent to March 31, 2026; (ii) obligations under contracts and commitments incurred in the ordinary course of business; and (iii) liabilities and obligations of a type or nature not required under GAAP to be reflected in the Financial Statements, which, in all such cases, individually and in the aggregate would not have a Material Adverse Effect on the Company.

(c) The Company has not obtained any grant or loan or other support or benefits (including, without limitation, tax benefits) from any third party or any Israeli, other foreign binational or multinational foundation, association, university, consortiums, institution or federal, state or local governmental authority, other than as set forth in Schedule 3.6(c). Without limiting the foregoing, except as set forth in Schedule 3.6(c), the Company did not obtain any grant or loan or other support or benefits (including, without limitation, tax benefits) from any third party, including the IIA nor filed any application for grants under the Law for Encouragement of Industrial Research and Development, 1984, and is not an "approved enterprise" under the Israeli law for Encouragement of Capital Investments, 1959.

3.7 Authorization; Approvals. All corporate action on the part of the Company, its shareholders and directors necessary for the authorization, execution, delivery, and performance of all of the Company's obligations under this Agreement, and the other agreements contemplated hereby or which are ancillary hereto, and for the authorization, issuance, and allotment of the Shares and the Ordinary Shares issuable upon conversion of the Shares, has been (or will be) taken prior to the Initial Closing. This Agreement and the other agreements contemplated hereby or which are ancillary hereto, when executed and delivered by or on behalf of the Company, shall be duly and validly authorized, executed and delivered by the Company and shall constitute the valid and legally binding obligations of the Company, legally enforceable against the Company in accordance with their respective terms, except as may be limited by (i) applicable bankruptcy, insolvency, reorganization or similar laws relating to or affecting the enforcement of creditors' rights, and (ii) laws relating to availability of specific performance, injunctive relief or other equitable remedies. No consent, approval, order, license, permit, action by, or authorization of or designation, declaration, or filing with any governmental authority on the part of the Company is required that has not been, or will not have been, obtained by the Company prior to the Initial Closing in connection with the valid execution, delivery and performance of this Agreement and the other agreements contemplated hereby or ancillary hereto or the offer, sale, or issuance of the Shares, except for the certain filings with the Registrar and the IIA, which will have been filed following the Initial Closing, the Additional Closing and the Deferred Closing(s), as applicable.

3.8 Compliance with Other Instruments. The Company is not in material default (a) under its Articles of Association (in effect prior to the adoption of the Amended Articles) or other formative documents, or (b) under any note, indenture, mortgage, lease, agreement, contract, purchase order or other instrument, document or agreement to which the Company is a party or by which it or any of its property is bound or affected which materially affects the Company's business, condition (financial or otherwise), affairs, operations or assets, or (c) with respect to any applicable law, statute, ordinance, regulation, order, writ, injunction, decree, or judgment of any court or any governmental department, commission, board, bureau, agency or instrumentality, domestic or to the Company's knowledge, foreign, the violation of which would have a Material Adverse Effect to the assets, liabilities, financial condition or operating results of the Company. To the knowledge of the Company, no third party is in material default under any agreement, contract or other instrument, document or agreement to which the Company is a party or by which it or any of its property is materially affected. The Company is not a party to or bound by any order, judgment, decree or award of any governmental authority, agency, court, tribunal or arbitrator.

3.9 No Breach. Neither the execution and delivery of this Agreement and the other agreements contemplated hereby or ancillary hereto nor compliance by the Company with the terms and provisions hereof or thereof, will materially conflict with, or result in a breach or violation of, any of the terms, conditions and provisions of: (i) the Company's Articles of Association (in effect prior to the adoption of the Amended Articles) or other governing instruments of the Company or the Amended Articles, (ii) any judgment, order, injunction, decree, or ruling of any court or governmental authority, domestic or foreign, known to the Company, to which the Company is a party, (iii) any agreement, contract, lease, license or commitment to which the Company is a party or to which either is subject, or (iv) applicable law.

3.10 Records. The corporate records of the Company have been maintained in accordance with all applicable statutory requirements and are complete and accurate in all material respects. No material resolutions have been passed, enacted, consented to or adopted by the directors or shareholders of the Company, except for those contained in such minute books.

3.11 Ownership of Assets. The Company does not currently lease or license any real or tangible property.

3.12 Intellectual Property and Other Intangible Assets.

For purposes of this Agreement, the term "**Intellectual Property**" shall mean and refer to all (i) United States and other patents and patent applications, and any divisional, continuation, continuation in part, reissue, renewal or re-examination patent issuing therefrom (including any foreign counterparts), (ii) copyrights and registrations thereof, (iii) mask works and registrations and applications for registration thereof, (iv) computer software, including any and all software implementations of algorithms, models and methodologies, whether in source code or object code, (v) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, (vi) technology supporting any Internet site(s) operated by or on behalf of the Company, (vii) trade secrets and other confidential business information, whether patentable or un-patentable, know-how, technology, proprietary processes, techniques, methodologies, formulae, algorithms, models, modules, user interfaces, research and development information, copyrightable works, marketing data, business and marketing plans and customer and supplier lists and information, inventions, source code, object code, and, with respect to all of the foregoing, related confidential documentation, (viii) trademarks, service marks, trade names, domain names and applications and registrations therefor, (ix) all documentation, including user manuals and training materials relating to any of the foregoing and descriptions, flow-charts and other work product used to design, plan, organize and develop any of the foregoing and (x) other proprietary rights relating to the foregoing.

(a) Except for the restrictions imposed by the IIA Provisions, the Company owns and has developed, or has obtained the right to use, free and clear of all liens, claims and restrictions, all Intellectual Property used or required for use in the conduct of the Company's business as now conducted ("Company IP"), without, to Company's knowledge, infringing upon, misappropriating or violating any right, lien, or claim of others. Save for standard off-the-shelf software licenses, and other than as set forth in Schedule 3.12(a)(i), the Company is not obligated to make any payments by way of royalties, fees or otherwise to any owner or licensee of, or other claimant to any Intellectual Property or any other intangible asset, with respect to the use thereof or in connection with the conduct of its business as now conducted. The Company's registered patents, trademarks and copyrights, and applications for the same, are listed in Schedule 3.12(a)(ii) hereto.

(b) Except as set forth in Schedule 3.12(b)(i), any and all Intellectual Property of any kind which has been developed, or is currently being developed, by any past or present employee or consultant of the Company in the course of their employment by, or engagement with, the Company and for the Company, shall be the property solely of the Company. The Company has taken commercially reasonable security measures to protect the secrecy, confidentiality and value of all the Intellectual Property. The Company's past and present employees, consultants and other persons who, either alone or in concert with others, developed, invented, discovered, derived, programmed or designed the Intellectual Property, or who have knowledge of or access to information about the Intellectual Property, have entered into a written agreement with the Company, assigning to the Company, all rights in Intellectual Property developed, created, discovered, derived, programmed, designed, invented or otherwise made by them in the course of their engagement with the Company or in connection to the Company's activities and irrevocably and explicitly waiving all non-assignable rights, including all moral rights and rights to receive royalties in connection therewith, including, under the Israeli Patent Law – 1967 (including, without limitation, Section 134 thereof) and/or other applicable law (the "**Proprietary Information Agreement**"). True and correct copies of all such Proprietary Information Agreements have been provided to the Purchasers or their legal counsel. None of the Company IP owned or developed by Company have has been developed for a government corporation, university, college, other academic institution or research center and to the Company's knowledge, except as set forth in Schedule 3.12(b)(ii), no governmental entity, university, college, other academic institution or research center owns or has any right or financial claim in or to any of the Company IP. No current or former employee, consultant or independent contractor of the Company, who is or was involved in, or who is contributing or contributed to the creation or development of any Company IP is or has performed services for or otherwise is or was under restrictions resulting from his or her relations with any government, university, college or other academic or educational institution or research center, during the time such employee, consultant or independent contractor is or was so involved in, or contributing to the creation or development of any Company IP.

(c) To the Company's knowledge, it has not violated or, by conducting its business as currently proposed, would not violate, infringe or misappropriate any Intellectual Property or other proprietary rights of any other person or entity. To the Company's knowledge, none of the Company's employees is obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would interfere with the use of such employee's best efforts to promote the interests of the Company or that would conflict with the Company's business as conducted and as currently proposed to be conducted. Neither the execution nor delivery of the Agreement, nor the carrying on of the Company's business by the employees of the Company, nor the conduct of the Company's business as currently proposed to be conducted, will conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, any contract, covenant or instrument under which, to the Company's knowledge any of such employees is now obligated. To the Company's knowledge, it is not necessary to utilize any inventions of any of the Company's employees (or people the Company currently intends to hire) made prior to their employment by the Company in order to continue the Company's business as currently being conducted, other than those that have been validly assigned to the Company pursuant to the Proprietary Information and Non-Competition Agreement signed by such employee.

(d) Except as set forth in Schedule 3.12(d)(i), Company is not a party to any outstanding licenses, or agreements of any kind relating to the Company's Intellectual Property necessary for the Company's business as now conducted, nor is the Company bound by or a party to any licenses or agreements of any kind with respect to the Intellectual Property of any other person or entity (including without limitation any software or other material that is distributed as "free software", "open source software" or under a similar licensing or distribution model). Except as set forth in Schedule 3.12(d)(ii), the Company is not aware of any Intellectual Property owned by any third party which is needed by the Company to conduct its business as currently conducted or currently proposed to be conducted.

(e) Except as set forth in Schedule 3.12(e), no source code of any of the Company's proprietary software has been licensed or otherwise provided or disclosed to another person or entity, and the Company does not have any duty or obligation (whether present, contingent, or otherwise) to license or otherwise provide the source code for any of the Company's proprietary software to any person or entity.

(f) The Company is familiar with and in full compliance in all material respects with the terms of use of any and all licenses which govern the use of Public Software incorporated into any product or software of the Company. The Company is not required, under the terms and conditions of the Public Software, to disclose or distribute any source code to the Company's Intellectual Property and to license any Company product or Company IP for the purpose of making derivative works, and is not prevented under any and all terms of the Public Software from charging a fee in exchange for licensing or providing the Company's Intellectual Property to any third party. "**Public Software**" means any software that contains, or is derived in any manner (in whole or in part) from, any software that is distributed as open source software (e.g., Linux) or similar licensing or distribution models, including without limitation software licensed or distributed under any of the following licenses or distribution models, or licenses or distribution models similar to any of the following: (i) GNU's General Public License (GPL) or Lesser/Library GPL (LGPL), (ii) the Artistic License (e.g., PERL), (iii) the Mozilla Public License, (iv) the Netscape Public License, (v) the Sun Community Source License (SCSL), (vi) the Sun Industry Standards License (SISL), (vii) the BSD License, (viii) the MIT License (expat) and (ix) the Apache License.

3.13 Taxes. The Company has not made any elections under any applicable laws or regulations (other than elections that related solely to methods of accounting, depreciation or amortization) that would have a Material Adverse Effect on the Company, its financial condition, its business as presently conducted or proposed to be conducted or any of its properties or assets. The Company has duly and timely paid any and all taxes which became due to date. There are no pending or, to Company's best knowledge, threatened proceedings with respect to taxes for which the Company is, or would likely become, liable.

3.14 Contracts. Schedule 3.14 to the Disclosure Schedule contains a true and complete list of all Material Agreements (as defined below). The Company has delivered to the Lead Investor accurate and complete copies of all written material agreements, including all amendments thereto. Each of such material agreements is in full force and effect, subject to (i) laws of general application relating to bankruptcy, insolvency and the relief of debtors, and (ii) rules of law governing specific performance, injunctive relief and other equitable remedies, and neither the Company nor, to the knowledge of the Company, any other party thereto is in material breach thereof. The Company has not received any notice of any intention to terminate any such agreement. Except as detailed in Schedule 3.14, and other than in the ordinary course of business, there are no contracts, agreements, understandings, instruments, commitments and binding proposed material offer made by the Company, judgments, orders, writs and decrees to which the Company is a party or by which it is bound which involves (i) the license of any patent, copyright, trade secret or other proprietary right to or from the Company (other than (i) non-exclusive licenses from the Company entered into in the ordinary course of business, (ii) commercially available hardware and software products under standard end-user license agreements licensed to the Company, including off-the-shelf or other shrink-wrap, click-wrap or similar widely-available standard end-user license agreements (iii) any software or other material that is distributed as "free software", "open source software" or under a similar licensing or distribution model, and (iv) non-disclosure and confidentiality agreements, (ii) provisions materially restricting or affecting the development, manufacture, assembly or distribution of the Company's products or services, (iii) granting exclusive rights to manufacture, produce, assemble, license, market or sell products or services, or (iv) material restrictions or limitations on the Company's right to do business or compete in any area or field with any person, firm or company ("**Material Agreements**"). The Company has not knowingly waived any of its rights under any Material Agreement.

3.15 Litigation. No action, proceeding or governmental inquiry or investigation is pending or, to the Company's knowledge, threatened against the Company or any of its officers, directors, or employees (in their capacity as such), or against any of the Company's properties, or with regard to the Company's business, before any court, arbitration board or tribunal or administrative or other governmental agency. The foregoing includes, without limiting its generality, actions pending or threatened involving the prior employment of any of the Company's employees or use by any of them in connection with the Company's business of any information, property or techniques allegedly proprietary to any of their former employers. The Company is not a party to or subject to the provisions of any order, writ, injunction, judgment or decree of any court or governmental agency or instrumentality that pertains to the Company's business. There is no action, suit, proceeding or investigation by the Company currently pending or that it intends to initiate.

3.16 No Public Offer. Neither the Company nor anyone acting on its behalf has offered securities of the Company or any part thereof or any similar securities for issuance or sale to, or solicit any offer to acquire any of the same from, anyone so as to make issuance and sale of the Shares hereunder not exempt from the registration requirements of Section 5 of the Securities Act of 1933, as amended (the "**Securities Act**") or the prospectus requirements of the Israeli Securities Law, 1968. None of the shares of the Company's capital issued and outstanding has been offered or sold in such a manner as to make the issuance and sale of such shares not exempt from such registration and prospectus requirements, and all such shares of capital have been offered and sold in compliance with all applicable Israeli or other securities laws and regulations.

3.17 Interested Party Transactions. The Company, solely for itself, represents and warrants that, no officer or director of the Company, or, to the Company's knowledge, any affiliate or first degree family member of any such person or entity or the Company, has or has had, either directly or indirectly, (a) an interest in any person or entity which (i) furnishes or sells services or products which are furnished or sold or are proposed to be furnished or sold by the Company, or (ii) purchases from or sells or furnishes to the Company any goods or services, or (b) a beneficial interest in any contract or agreement to which the Company is a party or by which it may be bound or affected. Other than indemnification, employment, options, repurchase and financing agreements, there are no existing arrangements or proposed transactions between the Company and any officer, director, or shareholder of the Company, or any affiliate or associate of any such person. To the knowledge of the Company, none of the Company's current directors or officers, or any of their affiliates or family members, owns any ownership interest in any entity which is a direct competitor of the Company, excluding any such entities that are publicly traded companies in stock exchanges of any jurisdiction of which the ownership is less than 1% of the outstanding share capital.

3.18 Employees. Other than as set forth in Schedule 3.18(a) of the Disclosure Schedule, the Company has no employment contract with any officer or employee or any other consultant or person that is not terminable by it at will without liability, upon 30 days prior notice. The Company has complied in all material respects with all applicable employment laws, policies, procedures and agreements relating to employment, terms and conditions of employment and to the proper withholding and remission to the proper tax and other authorities of all sums required to be withheld from employees or persons deemed to be employees under applicable laws respecting such withholding (if applicable). The Company has paid in full to all of its respective employees, wages, salaries, commissions, bonuses, benefits and other compensation due and payable to such employees on or prior to the date hereof. Schedule 3.18(b) lists (a) all employees and consultants of the Company, and (b) all employment, non-competition and confidentiality agreements between the Company and any employee or consultant of the Company. True and correct copies of such agreements have been delivered to the Lead Investor.

3.19 Brokers. No agent, broker, investment banker, person or firm acting in a similar capacity on behalf of or under the authority of the Company is or will be entitled to any broker's or finder's fee or any other commission or similar fee, directly or indirectly, on account of any action taken by the Company in connection with any of the transactions contemplated under this Agreement.

3.20 No Insolvency. No insolvency proceeding of any character, including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting the Company or any of its assets or properties, is pending or, to the knowledge of the Company, threatened. The Company has not taken any action in contemplation of, or that would constitute the basis for, the institution of any such insolvency proceedings.

3.21 Insurance. The Company has in full force and effect insurance policies with extended coverage, a copy of which was delivered to the Lead Investor. There is no claim by the Company pending under any of such policies. All premiums due under such policies have been paid and the Company is otherwise in compliance, in all material respects, with the terms and conditions of all such policies.

3.21 Business Plan. The Company's business plan and budget has been delivered to the Lead Investor (the "**Business Plan**"), and has been prepared in good faith and with reasonable professional care by the Company.; it being understood no assurance can be or is given that the assumptions are correct or any of the forecast projections, expectations, results or transactions contemplated therein will be attained (in whole or in part). It is hereby clarified that the Business Plan contains statements which relate to the plans, objectives and expectations which are forward-looking in nature and are not guaranteed by the Company.

3.22 No Powers of Attorney. Except for the authorized signatories of the Company and the Company's organs (to include the shareholders, directors, officers, attorneys, accountants and agents of the Company and any other person to which such authority has been specifically delegated by the Board or shareholders of the Company), which by law are or may be authorized to bind the Company by their actions, there are no outstanding powers of attorney executed on behalf of the Company providing or delegating rights to act on its behalf, and no person, as agent or otherwise, is entitled to or authorized to bind or commit the Company to any obligation, and the Company are not aware of any person purporting to do so.

3.23 Data Privacy. In connection with any collection, storage, transfer (including, without limitation, any transfer across national borders) (if occurs and applicable to the Company) and/or use of any personally identifiable information from any individuals, including, without limitation, any customers, prospective customers, employees and/or other third parties (if occurs and applicable to the Company) (collectively "**Personal Information**"), the Company is and has been in material compliance with all applicable laws in all relevant jurisdictions. The Company's privacy policies and the contracts or codes of conduct to which the Company is a party are of a nature and standard which is customary to the Company's industry and business and in accordance with reasonable industry standards. The Company is and has been in compliance in all material respects with all laws relating to data loss, theft and breach of security notification obligations.

3.24 Governmental Grants. Except as set forth in Schedule 3.24 of the Disclosure Schedule The Company has not applied, obtained or received any grant, loan, incentives, benefits (including tax benefits), subsidies or other assistance from any governmental or regulatory authority or any agency, or any international or bilateral fund, institute or organization or public entities or authorities.

3.25 Export Control, Sanctions, Regulatory aspects. To the Company's knowledge, it has complied in all material respects with all applicable export control, sanctions, anti-corruption, anti-bribery, anti-money laundering, defense trade control, and government procurement laws including, as applicable, U.S. Export Administration Regulations, International Traffic in Arms Regulations, OFAC sanctions, the Foreign Corrupt Practices Act, Israeli defense export control laws, and any similar applicable laws both domestic and international.

3.26 Full Disclosure. Neither this Agreement (including the Schedules hereto) nor any document, information, representation or certificates made or delivered in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements herein or therein not misleading, in view of the circumstances in which they were made.

4. <u>Representations and Warranties of the Purchaser</u>. Each Purchaser hereby represents and warrants, severally and not jointly, to the Company, as follows:

4.1 <u>Enforceability</u>. This Agreement and the agreements to be executed by the Purchaser under this Agreement, when executed and delivered by the Purchaser, will constitute the valid, binding and enforceable obligations of the Purchaser, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies. The execution, delivery and performance of the Purchaser's obligations hereunder will not violate any provision of any instrument, judgment, order, writ, decree or contract to which the Purchaser is party or by which the Purchaser, is bound, or any provision of law, rule or regulation applicable to the Purchaser and/or its investment in the Company which would prevent the execution of this Agreement by the Purchaser or the performance of its obligations hereunder.

4.2 <u>Authorization</u>. The Purchaser, if such is an entity, is an entity duly established and validly existing under the laws of the jurisdiction thereof. The execution, delivery and performance of all the obligations of the Purchaser hereunder and under any other agreement, instrument or documents entered into pursuant to this Agreement have been duly authorized by all necessary corporate action.

4.3 <u>Brokers</u>. No agent, broker, investment banker, person or firm acting in a similar capacity on behalf of or under the authority of the Purchaser is or will be entitled to any broker's or finder's fee or any other commission or similar fee, directly or indirectly, on account of any action taken by the Purchaser in connection with any of the transactions contemplated under this Agreement.

4.4 <u>Experience</u>. The Purchaser is an experienced investor in the securities of companies in the early development stage and is capable of evaluating the risks of its investment in the Company and has reviewed and inspected all of the data and information provided to it by the Company in connection with this Agreement. The Purchaser represents and agrees that the applicable Shares are purchased only for investment, for its own account, and not with a view to, or for immediate resale in connection with, any distribution thereof. The Purchaser represents and warrants that it (i) must be prepared to continue to bear the economic risk of its investment for an indefinite period of time, (ii) has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Shares, and (iii) has the capacity to protect its own interests. Moreover, the Purchaser acknowledges that due to the inherent risk involved in such investment, the Purchaser's investment may be substantially or totally lost. The Purchaser is either (i) an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act, or (ii) a Non U.S. Person as defined under Regulation S promulgated under the Securities Act. To the extent that the Investor is a non U.S. Person, such Purchaser (x) is not acquiring Shares for the account or benefit of any U.S. Person, (y) is not, at the time of execution of this Agreement, and will not be, at the time of the Initial Closing, any Additional Closing or the Deferred Closing (as applicable), in the United States and (z) is not a "distributor" (as defined in Regulation S promulgated under the Securities Act). The Purchaser is an "accredited investor" as described in the First Addendum of the Israeli Securities Law, 5728-1968 by qualifying under one or more of the categories detailed therein

4.5 <u>Required Consent</u>. No approval or consent from any person, entity or authority, is required by the Purchaser, for the execution, delivery and performance by it of this Agreement, and any and all agreements and instruments ancillary hereto or thereto.

4.6 No Conflict. The execution and delivery of this Agreement by the Purchaser will not conflict with, or result in breach or violation of any of the terms, conditions and provisions of: (a) applicable law; (b) any judgment, order, injunction, decree or ruling of any court or governmental authority, to which the Purchaser is subject; (c) any agreement, contract, license or commitment to which it is a party or to which it is subject and which would impair the ability of it to execute, deliver or perform its obligations pursuant to this Agreement; or (d) it's governing organizational documents.

4.7 No Public Market. The Purchaser understands that the Shares have not been registered under the Securities Act and no public market now exists for any of the securities issued by the Company and that the Company has made no assurances that a public market will ever exist for the Company's securities.

4.8 Disclosure. The Purchaser has been afforded the opportunity to ask questions of and receive answers from officers or other representatives of the Company and the Founders, and to discuss to its satisfaction and receive information (legal, financial and otherwise) concerning the Company's business, assets, prospects, technology, plans and financial condition, provided, however, that this shall in no way prejudice the representations and warranties made by the Company and the Founders under Section 3 above.

5. Effectiveness; Survival; Indemnification.

5.1 Each representation and warranty herein is deemed to be made on the date of this Agreement and at the Closing, and shall survive the execution and delivery of this Agreement and the Closing and remain in full force and effect for a period of twenty four (24) months after the Closing, except with respect to Sections 3.12 ("Intellectual Property") which shall extend until the expiration of thirty-six (36) months after the Closing, Sections 3.13 ("Taxes") and 3.17 ("Interested Party Transactions"), which shall extend until the expiration of the Statute of Limitations plus 60 days after the Closing, whereupon such representations and warranties and the liability with respect thereto shall expire and be of no further force and effect, provided however that all representations and warranties shall expire upon the consummation of the sale of all of the securities of the Company (but excluding any claims asserted prior to the consummation of such sale of all of the securities of the Company). Notwithstanding the aforesaid, any breach by the Company of any of the representations or warranties contained in this Agreement involving fraud or intentional misrepresentation by such party as determined by court of competent jurisdiction, shall survive indefinitely with respect to such breaching party. For avoidance of doubt, the provisions of this Section 5.1 shall be deemed to constitute a separate written legally binding agreement among the Company and the Purchasers, in accordance with the provisions of Section 19 of the Israeli Limitation Law (חוק ההתיישנות) 5718-1958. In the event of any breach or misrepresentation by the Company, warranty or representation made by the Company, as the case may be, under Section 3 of this Agreement, the Company shall indemnify the applicable Purchaser and hold it harmless from any and all direct loss, damage (including, without limitation, any decrease in the value of the Shares), liability and expense (including reasonable legal fees and costs) sustained or incurred by such Purchaser as a result of or in connection with said breach or misrepresentation (collectively, "**Losses**").

5.2 Notwithstanding the aforesaid: (i) no claim or claims for indemnification under this Section 5 shall be brought unless the aggregate amount of Losses under such claim(s) shall exceed US$50,000, provided that in case of a claim or claims in excess of the aforesaid threshold, the claim can be submitted for the entire amount; (ii) the total liability for indemnification by the Company (the "**Indemnitor**") hereunder towards the Purchasers, other than for a claim based on fraud or intentional misrepresentation as determined by court of competent jurisdiction (in which case such limitation will not apply to the Company), shall be limited to the Financing Amount actually transferred by the Purchasers to the Company pursuant to the terms of this Agreement; and (iii) in no event or circumstances shall the Company be liable to indemnify the Purchasers for any consequential, special or punitive damages.

5.3 In the event that a Purchaser shall sustain or incur any Losses in respect of which indemnification may be sought by it pursuant hereto, such Purchaser shall assert a claim for indemnification (a "**Claim**") by giving prompt written notice thereof within the time period for indemnification as described under section 5.1 above, which shall describe in reasonable detail the facts and circumstances upon which the asserted claim for indemnification is based, to the Indemnitor and shall thereafter keep the Indemnitor reasonably informed with respect thereto; provided, that failure of such Purchaser to give the Indemnitor prompt notice as provided herein shall not relieve the Indemnitor of any of their obligations hereunder, except to the extent that the Indemnitor are prejudiced by such failure, and then only to the extent of the damages caused to the Indemnitor due to such prejudice. The Company shall promptly assume the defense of the Claim with counsel reasonably satisfactory to the Purchaser, and the reasonable fees and expenses of such counsel shall be borne by the Company provided, however, that the Purchaser shall have the right to retain their own counsel, at the reasonable expense of the Indemnitor within the indemnification limitations herein, if representation of the Purchasers by the counsel retained by the Indemnitor would be inappropriate due to actual or potential differing interests between the Indemnitors and any other party represented by such counsel in such proceeding. The Purchaser will cooperate with the Company in the defense of any Claim for which the Company assumes the defense, at Company's reasonable cost and expense. The Company shall not be liable for any settlement of any Claim effected without its prior written consent. The Company will not agree, without the consent of the applicable Purchaser (which shall not be unreasonably withheld, conditioned or delayed) to any settlement that would result in a liability to such Purchaser.

5.4 Except in the case of fraud or intentional misrepresentation by the Company as determined by court of competent jurisdiction, he indemnification obligation of the Company set forth in this Section 5 constitutes the sole and exclusive remedy of a Purchaser against the Company in connection with this Agreement, regardless of the theory of law.

6. <u>Conditions of Closing of the Investors</u>. The obligations of (i) each Investor to purchase the Closing Purchased Shares or (ii) the Lead Investor to purchase the Preferred A-2 Shares, as applicable, and to transfer the applicable funds at the applicable Closing, are subject to the fulfillment at or before the applicable Closing of the following conditions precedent (to the extent indicated below), any one or more of which may be waived in whole or in part by such Investor, which waiver shall be at the sole discretion of such Investor:

6.1 <u>Representations and Warranties</u>. The representations and warranties made by the Company in this Agreement shall have been true and correct in all material respects when made, and shall be true and correct in all material respects as of the Initial Closing as if made on the Initial Closing Date.

6.2 <u>Covenants</u>. All covenants, agreements, and conditions contained in this Agreement to be performed or complied with by the Company prior to the applicable Closing, shall have been performed or complied with by the Company, as the case may be, prior to or at such applicable Closing respectively.

6.3 Consents. The Company shall have secured all permits, consents and authorizations that shall be necessary or required lawfully to consummate the transaction contemplated by this Agreement and to issue the Closing Purchased Shares to the applicable Investor or Series A-2 Shares to the Lead Investor, as applicable, at the applicable Closing, and the Amended Articles shall have been duly adopted.

6.4 Delivery of Documents.

6.4.1 With respect to the Initial Closing only, all of the documents to be delivered by the Company pursuant to Sections 2.2.1, shall be in the respective form attached to this Agreement, or if no such forms are attached in a form and substance reasonably satisfactory to the Lead Investor and its counsel, in their sole discretion, shall have been delivered to the Lead Investor. All other actions and transactions set forth in Sections 2.2.1shall have been completed on or prior to the Initial Closing.

6.4.2 With respect to any Additional Closing, the Company shall have delivered to each applicable Investor:

(a) validly executed share certificates or a book-entry statement, as applicable, representing the Preferred A-2 Shares, issued in the names of each applicable Investor, in the form attached hereto as Schedule A;

(b) a certificate duly executed by the interim chief executive officer of the Company, dated as of the Additional Closing Date, in the form attached hereto as Schedule 2.2.1(d);

(c) the Company shall register the allotment of the Preferred A-2 Shares to each applicable Investor in the Shareholder Register, to be attached hereto as Exhibit B; and

(d) the Company shall have delivered a certificate of good standing from its jurisdiction of incorporation, to the extent such concept is applicable in such jurisdiction.

6.5 Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated by this Agreement and all documents and instruments incident to such transactions shall be reasonably satisfactory in substance and form to the Lead Investor, and the Lead Investor shall have received all such counterpart originals or certified or other copies of such documents as the Investor may reasonably request.

7. Conditions to Closing of the Company. The Company's obligations to sell and issue the applicable Shares at the applicable Closings to the applicable Purchasers are subject to the fulfillment at or before each such Closing of the following conditions (which conditions may be waived in whole or in part by the Company, and which waiver shall be at the sole discretion of the Company):

7.1 With respect to the Initial Closing, the applicable Investor shall have transferred its portion of the Financing Amount to the Company at or prior to the applicable Closing Date.

7.2 With respect to any Additional Closing, each Investor shall have transferred the applicable Optional Investment Amount to the Company at or prior to the Additional Closing Date.

7.3 All covenants, agreements and conditions contained in this Agreement to be performed, or complied with, by such Purchaser prior to such Closing shall have been performed or complied with by the Purchaser prior to such Closing.

7.4 The representations and warranties made by the Purchasers in this Agreement shall have been true and correct when made, and shall be true and correct in all material respects as of the date of the applicable Closing.

7.5 The Purchaser shall have executed the IIA Undertaking in connection with this Agreement and the issuance of the Shares hereunder, subject to the terms and conditions of the IIA Provisions.

8. Miscellaneous

8.1 Further Assurances. Each of the parties hereto shall perform such further acts and execute such further documents as may reasonably be necessary to carry out and give full effect to the provisions of this Agreement and the intentions of the parties as reflected thereby.

8.2 Governing Law; Jurisdiction. The Parties waive their respective rights to seek remedies in court, including any right to a jury trial, relating to any dispute relating to this Agreement. The Parties agree that any dispute arising out of or relating to this Agreement shall be resolved by binding arbitration to be conducted in New York in accordance with the Commercial Arbitration Rules (and not the National Rules for Resolution of Employment Disputes) of the American Arbitration Association, provided the following: a) The Arbitration shall be conducted in English by no more than one (1) arbitrator; b) Each party shall bear its own expenses; c) The parties agree to Arbitration by remote conferencing software (Zoom, Meet, Teams, etc.); and d) The agreement shall be governed and construed in accordance with the laws of the State of Israel. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

8.3 Successors and Assigns; Assignment. Except as otherwise expressly limited herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors, and administrators of the parties hereto. None of the rights, privileges, or obligations set forth in, arising under, or created by this Agreement may be assigned or transferred by a Purchaser without the prior consent in writing of the Company, with the exception of assignments and transfers which may be made freely without such consent to such Purchaser's Permitted Transferee (as defined in the Company's then current Articles of Association) together with the transfer of the Shares to such Permitted Transferee, provided, however, such transfer was duly made in accordance with and subject to the Amended Articles and that the Permitted Transferee has agreed in writing to be bound by the terms of this Agreement and all other agreements and documents ancillary hereto to which the Purchaser is a party.

8.4 Entire Agreement; Amendment and Waiver. This Agreement and the Schedules hereto constitute the full and entire understanding and agreement between the parties with regard to the subject matters hereof and thereof. Any term of this Agreement may be amended and the observance of any term hereof may be waived (either prospectively or retroactively and either generally or in a particular instance) only with the written consent of the Company and the Lead Investor.

8.5 Notices, etc. All notices and other communications required or permitted hereunder to be given to a party to this Agreement shall be in writing and shall be telecopied or mailed by registered or certified mail, postage prepaid, or prepaid air courier, or otherwise delivered by hand or by messenger, addressed to such party's address as set forth below:

if to Lead Investor:

**if to the Purchasers:**

as set forth in Exhibit A

if to the Company:

**Frenel Imaging Ltd.**

21 Hamelachot St. Modiin, Israel
Attention: Sagi Zur Arie
Email: sagi@frenel.ai

With a copy (which shall not constitute a notice) to:

H-F & Co., Law Offices
20 Lincoln Street
Tel Aviv 6713412, Israel
Attention: Dana El-On, Adv.,
Email: Dana@h-f.co

or such other address with respect to a party as such party shall notify each other party in writing as above provided. Any notice sent in accordance with this Section 8.5 shall be effective (i) if mailed, seven (7) Business Days after mailing, (ii) if by air courier, two (2) Business Days after delivery to the courier service,

if sent by messenger, upon delivery, and (iv) if sent via facsimile, upon transmission and electronic confirmation of receipt or (if transmitted and received on a non-Business Day) on the first Business Day following transmission and electronic confirmation of receipt. "**Business Day**" shall mean Sunday to Thursday, excluding: (i) Jewish holidays and the day before such holiday ("ערב חג"); and (ii) other days in which most of the banks in Israel are closed.

8.6 Third Party Rights. The provisions of this Agreement relating to compliance with the directives of the IIA, Track No. 3 and the IIA Approval shall inure to the benefit of the State of Israel, and those provisions shall be deemed a contract in favor of a third party under the Israeli Contracts Law, 5733-1973.

8.7 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party upon any breach or default under this Agreement, shall be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent, or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any of the parties, shall be cumulative and not alternative.

8.8 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable under applicable law, then such provision shall be excluded from this Agreement and the remainder of this Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms; provided, however, that in such event this Agreement shall be interpreted so as to give effect, to the greatest extent consistent with and permitted by applicable law, to the meaning and intention of the excluded provision as determined by such court of competent jurisdiction.

8.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and enforceable against the parties actually executing such counterpart, and all of which together shall constitute one and the same instrument. Executed counterparts delivered via any means of electronic transmission shall be deemed as originals.

[*Signature Page to Follow*]

IN WITNESS WHEREOF the parties have signed this Share Purchase Agreement as of the date first hereinabove set forth.

**COMPANY**:

**Frenel Imaging Ltd.**

By: ________________________________________
Name: Sagi Zur Arie
Title: Chief Executive Officer (Interim)

*[SIGNATURE PAGE – FRENEL IMAGING LTD. - SERIES A PREFERRED SPA]*

IN WITNESS WHEREOF the parties have signed this Share Purchase Agreement as of the date first hereinabove set forth.

**<u>LEAD INVESTOR</u>:**

**Wrap Technologies, Inc.**

By: ______________________________
Name: Scot Cohen
Title: Chief Executive Officer

*[SIGNATURE PAGE – FRENEL IMAGING LTD. - SERIES A PREFERRED SPA]*

**Exhibit 10.2**

# INVESTORS' RIGHTS AGREEMENT

THIS AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (this "**Agreement**"), is made as of the 7th day of July 2026, by and among **FRENEL IMAGING LTD**, a company incorporated under the laws of the State of Israel with registration number **516262821** (the "**Company**"), the persons and entities identified in Schedule 1 attached hereto (collectively, the "**Ordinary Holders**"), and the persons and entities identified in Schedule 2 attached hereto (the "**Preferred Holders**" and, together with the Ordinary Holders, severally a "**Holder**" and collectively the "**Holders**").

## RECITALS

WHEREAS, as of the date first set forth above, the Preferred Holders are the holders of all of the Company's issued and outstanding Series Seed Preferred Shares, nominal value NIS 0.01 each, Series A Preferred Shares, nominal value NIS 0.01 each, and Series A-1 Preferred Shares, nominal value NIS 0.01 each (collectively, the "**Preferred Shares**"), and the Ordinary Holders are the holders of Ordinary Shares, nominal value NIS 0.01 each (the "**Ordinary Shares**");

WHEREAS, the Company and certain Preferred Holders are parties to the Series A Preferred Share Purchase Agreement of even date herewith (the "**Purchase Agreement**", capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Purchase Agreement); and

WHEREAS, in order to induce those certain Preferred Holders to invest funds in the Company pursuant to the Purchase Agreement, the Holders and the Company hereby agree that this Agreement shall govern the rights of the Holders to cause the Company to register Ordinary Shares issued or issuable to them and to receive certain information from the Company, and other matters as set forth herein, and further agree that this Agreement shall replace and supersede in all respects the Investors' Rights Agreement dated May 24, 2022 in its entirety.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. **Registration Rights**.

The Company hereby agrees that if the Company provides to other shareholders in the future, then the Preferred Holders shall be entitled to identical registration rights (including, but not limited to, any negative covenants granted in respect of the registration rights) first granted by the Company to investors in the first financing round in which registration rights are granted, on a pro-rata basis including, but not limited to, customary demand, piggyback, Form S-3 or comparable short-form registration rights and any related negative covenants or lock-up protections, on a pro-rata basis and subject only to any standard registration preference expressly set forth in such rights first granted to such future investors.

**2. <u>Affirmative Covenants</u>. The Company undertakes towards the Major Holders (as defined below), as follows:**

2.1. **Delivery of Financial Information**. The Company will furnish the following reports to each Preferred Holder, for as long as each such shareholder holds at least 5% of the Company's issued and outstanding share capital on an as converted basis (a "**Major Holder**"):

(i) As soon as practicable after the end of each fiscal year and in any event within one hundred and twenty (120) days thereafter, the consolidated balance sheet and statement of shareholder equity of the Company as of the end of such fiscal year, and the consolidated statements of income and cash flow for the fiscal year then ended, all in reasonable detail, stating in each case in comparative form the figures of the preceding fiscal year, United States dollar denominated, audited and certified by independent public accounting firm of which is one of (or is affiliated with one of) the "Big Four" US accounting firms, in each case in English and accompanied by an opinion in English of such firm which opinion shall state that such balance sheet and statements of shareholder equity, income and cash flow have been prepared in accordance with generally accepted accounting principles ("**GAAP**") applied on a basis consistent with that of the preceding fiscal year, and present fairly in all material respects the financial position of the Company as of their date, and that the audit by such accountants in connection with such financial statements has been made in accordance with United States generally accepted auditing standards.

(ii) As soon as practicable, and in any event within sixty (60) days after the end of the first, second and third quarters of each fiscal year of the Company, un-audited reviewed consolidated balance sheets of the Company as of the end of such quarter and consolidated statements of income and cash flow of the Company for such quarter and for the portion of the fiscal year ending with such period, in each case in English and in reasonable detail, stating in each case in comparative form the figures for the corresponding period of the preceding fiscal year and United States dollar denominated, prepared in accordance with GAAP consistently applied with prior practice for earlier periods (with the exception of footnotes that may be required by GAAP) and fairly present in all material respects the financial condition of the Company and its results of operation for the period specified, subject to year-end audit adjustment.

(iii) As soon as practicable following request from a Major Holder, and in any event not more than four (4) times in every fiscal year, a summary of the Company's activities as of the end of the quarter preceding such request, executed by the Chief Executive Officer of the Company together with an updated capitalization table of the Company reflecting all issued and outstanding shares, options and other securities on a fully diluted basis.

(iv) As soon as practicable, and in any event at least thirty (30) days before each fiscal year, the Company's annual budget and business plan for the following year, on a monthly basis and including expected income statements and statement of cash flows for such months and approved by the Company's board of directors (the "**Board**") and if and as soon as prepared, any revised budgets and business plans prepared by the Company, all in reasonable detail and in English.

(v) Such other information relating to the financial condition, business, or corporate affairs of the Company as any Major Holder may from time to time reasonably request, without derogating from such Major Holders' statutory rights.

2.2. **Inspection and Visitation**. The Company will permit each Major Holder and its representatives, at such Major Holder's expense and subject to customary confidentiality undertakings to be executed thereby (not less restrictive than the confidentiality provisions of this Agreement), reasonable access, during normal business hours and upon reasonable notice, to visit and inspect any of the properties of the Company, to examine its books and records and to discuss its affairs, finances and accounts with the Company's Chief Executive Officer, Chief Financial Officer and auditor.

2.3. **Limitations on Information Rights**.

2.3.1. The Company may refrain from providing or granting access to any of the information pursuant to Sections 2.1 and 2.2 to a Major Holder if the Board reasonably determines in good faith that (i) such information is a Company trade secret, sensitive classified confidential or proprietary information or involves personal information; (ii) the disclosure of such information would be reasonably expected to adversely affect the attorney-client privilege between the Company and its counsel; or (iii) the disclosure of such information would be reasonably expected to create a conflict of interests or potential conflict of interests between the Company and such Major Holder or any affiliate thereof.

2.3.2. The Company may refrain from providing or granting access to any of the information pursuant to Sections 2.1 and 2.2 to a Major Holder if the Board reasonably determines in good faith that such Major Holder is a Competitor of the Company. For purposes of this Agreement, "Competitor" shall mean a person or entity engaged, directly or indirectly (including through any partnership, limited liability company, corporation, joint venture or similar arrangement) in one or more of the same lines of business as the Company.

2.3.3. The Company may cease providing or granting access to any of the information set forth in this Sections 2.1 and 2.2 during the period starting with the date thirty (30) days before the Company's good-faith estimate of the date of filing of a registration statement if it reasonably concludes, based on advise of outside legal counsel, that it must do so to comply with the SEC rules applicable to such registration statement and related offering; provided that the Company's covenants under Sections 2.1 and 2.2 shall be reinstated at such time as the Company is no longer actively employing its commercially reasonable efforts to cause such registration statement to become effective.

2.4. **Confidentiality**. Each Major Holder agrees that any information provided to it under this Agreement will not be disclosed (other than to its officers and/or general partner, employees, auditors and its legal, financial and technical advisors to the extent necessary to obtain their services in connection with monitoring its investment or holdings in the Company; provided that such entities are under an obligation to the Investor to keep such information confidential), without the prior written consent of the Company; *provided* that, in connection with periodic non-public reports to its shareholders or partners, each Major Holder may, without first obtaining such written consent, make general standard statements, not containing technical or other confidential information, regarding the nature and progress of the Company's business; and *provided further*, that each Major Holder may provide summary information regarding the Company's financial information in its reports to their respective shareholders or partners, but may not annex to such reports the full financial information to be provided under this Agreement by the Company. For the avoidance of doubt, Confidential Information shall not include any information which: (1) was in the public domain prior to the time of disclosure by the Company; (2) enters the public domain after disclosure by the Company to the Major Holder through no action or inaction of such Major Holder; or (3) is already in the possession of the Major Holder free of any obligation of confidentiality at the time of disclosure by the Company. The Major Holder may disclose Confidential Information that is required by law to be disclosed by the Major Holder; provided that such Major Holder shall use all commercially reasonable efforts to maintain the confidentiality of such disclosed information and further provided that the Major Holder promptly as practicable notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure.

2.5. **Accounting**. The Company will maintain and cause each of its subsidiaries to maintain a system of accounting established and administered in accordance with US GAAP consistently applied, and will set aside on its books and cause each of its subsidiaries to set aside on its books all such proper reserves as shall be required by US GAAP audited and certified by independent public accounting firm of which is one of (or is affiliated with one of) the "Big Four" US accounting firms, in each case in English and accompanied by an opinion in English of such firm which opinion shall state that such balance sheet and statements of shareholder equity, income and cash flow have been prepared in accordance with US GAAP.

2.6. **Proprietary Information and Non-Competition Agreements**. The Company will not employ, or continue to employ, any employee or consultant who will have access to confidential information with respect to the Company and its operations unless such person has executed and delivered a Proprietary Information and Non-Disclosure Agreement in substantially the form approved by the Board, unless otherwise approved by the Board.

2.7. **Termination of Information and Inspection Covenants**. The covenants set forth in Sections 2.1 and 2.2 shall terminate and be of no further force or effect upon the closing of an IPO or the closing of a Deemed Liquidation, as defined in the Company's Amended and Restated Articles of Association as then in effect (the "**Articles**"). Thereafter, the Company shall deliver to the Major Holders, and its assignees or transferees, such financial information as the Company from time to time provides to other Holders.

3. Miscellaneous.

3.1. Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

3.2. Effect of Change in Company's Capital Structure. If, from time to time, there is any stock dividend, stock split or other change in the character or amount of any of the outstanding shares of the Company, then in such event any and all new, substituted or additional securities to which a shareholder is entitled by reason of the shareholder's ownership of the shares of the Company shall be immediately subject to the rights and obligations set forth in this Agreement, with the same force and effect as the shares subject to such rights immediately before such event.

3.3. Governing Law. This Agreement shall be governed by and construed exclusively under the laws of the State of Israel, without regard to the conflict of laws provisions thereof, and the competent courts in Jerusalem, Israel shall have sole jurisdiction over this Agreement.

3.4. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

3.5. Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

3.6. Notices. Any notice required or permitted to be given to a party pursuant to the provisions of this Agreement will be in writing and will be effective and deemed given to such party under this Agreement on the earliest of the following: (a) the date of personal delivery; (b) one (1) business day after transmission by Email, addressed to the other party at its Email address, with confirmation of transmission; (c) one (1) business day after deposit with a return receipt express courier for deliveries within Israel, or three (3) business days after such deposit for deliveries outside of Israel; or (d) three (3) business days after deposit in the mail by registered or certified mail (return receipt requested) for deliveries within Israel. All notices not delivered personally or by Email will be sent with postage and/or other charges prepaid and properly addressed to the party to be notified at the address set forth below such party's signature on this Agreement or on Schedule A hereto, or at such other address as such other party may designate by ten (10) days advance written notice to the other parties hereto. All notices for delivery outside Israel will be sent by Email or by express courier. Any notice given hereunder to more than one person will be deemed to have been given, for purposes of counting time periods hereunder, on the date effectively given to the last party required to be given such notice.

3.7. Expenses. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

3.8. Entire Agreement: Amendments and Waivers. This Agreement (including the Exhibits hereto, if any), constitutes the full and entire understanding and agreement among the parties with regard to the subjects hereof and thereof.

Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the majority of the Preferred Holders (as a single class, on an as converted basis); provided, however, that in the event that such amendment or waiver adversely affects the specific obligations and/or rights of a certain shareholder or group of shareholders or certain class or series of shares, such amendment or waiver shall also require the written consent of such shareholder or majority of such group, class or series, as the case maybe. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each party to this Agreement and each future holder of shares, and the Company.

3.9. Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms; provided, however, that in such event this Agreement shall be interpreted so as to give effect to the greatest extent consistent with and permitted by applicable law, to the meaning and intention of the excluded provision as determined by such court of competent jurisdiction.

3.10. Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party upon any breach or default under this Agreement, shall be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent, or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing.

3.11. Aggregation of Shares. All shares of the Company held or acquired by affiliated entities or persons shall be aggregated together for the purpose of determining the availability of any rights under this Agreement and for the calculation of the pro rata shares of such affiliated entities, provided that no shares shall be counted twice for the latter purpose.

3.12. Additional Parties. The parties hereto acknowledge that the Company may issue additional Preferred Shares after the date hereof, whether pursuant to the Purchase Agreement or otherwise, and agree that such additional parties shall be added as parties to this Agreement as "Preferred Holders" with respect to any or all of the securities of the Company purchased by them, and shall thereupon be deemed for all purposes an Investor. Any such additional party shall execute a counterpart of this Agreement, and upon execution by such additional party and by the Company, shall be considered a "Preferred Holder" for purposes of this Agreement.

3.13. Holder Assignees. Any reference to, or rights conferred upon each holder of Preferred Shares or any of its affiliates, may be transferred or assigned, free of any restriction, to their Permitted Transferees (as defined in the Articles).

*[Signature Page to Follow]*

**IN WITNESS WHEREOF**, the parties hereto have executed this Investors' Rights Agreement as of the date first written above.

**<u>COMPANY</u>:**

**FRENEL IMAGING LTD**

By: ________________________________
Name: Sagi Zur Arie
Title: CTO, Interim CEO

**IN WITNESS WHEREOF**, the parties hereto have executed this Investors' Rights Agreement as of the date first written above.

**<u>INVESTOR</u>:**

**WRAP Technologies, Inc.**

By: ______________________________
Name: Scot Cohen
Title: Chief Executive Officer

*[Signature Page – Frenel - Investors' Rights Agreement]*

**IN WITNESS WHEREOF**, the parties hereto have executed this Investors' Rights Agreement as of the date first written above.

<u>**INVESTOR**</u>**:**

**[NAME]**

By: ________________________________
Name: ______________________________
Title: ______________________________

**Exhibit 10.3**

# EXCLUSIVE DISTRIBUTION LICENSE AGREEMENT

This Exclusive Distribution License Agreement (the "**Agreement**") is made and effective as of July 7, 2026 ("**Effective Date**") by and between **Frenel Inc.,** an Israeli company having its principal place of business at Hamelachot 21 Blvd. Modiin, Israel (the "**Frenel**" or "**Company**") and Wrap Technologies Inc., registered at 3350 Virginia Street, Miami, FL. USA 33133 ("**Wrap**" or "**Partner**"). Wrap and the Company may be referred to individually as a "**Party**" or collectively as the "**Parties**".

**WHEREAS,** the Company has developed certain proprietary image processing software (IPS) for polarimetric thermal imaging enhancing sensor based spatial perception and anomaly detection for machine vision; and

**WHEREAS**, Wrap possesses certain knowledge, expertise and business contacts in the relevant markets to introduce the Company to potential customers interested in subscribing to Company's Solution; and

**WHEREAS,** the Parties acknowledge that Wrap will devote resources to the commercialization, marketing, sales, distribution, integration, customer support, and development of market opportunities for the Company Product, and accordingly desire to enter into this Agreement pursuant to which the Company grants Wrap an exclusive license, during the Term and subject to the terms and conditions herein, to market, sell, offer for sale, distribute, integrate, and provide the Company Product to Wrap Customers within the Territory.

**NOW THEREFORE**, in consideration of the mutual promises and benefits contained herein, the Parties hereby, intending to be legally bound, agree as follows:

1. **Definitions**

The following terms shall have the following meaning:

1.1. "**Affiliate**" means, with respect to a Party, any entity that is directly or indirectly, Controls, is Controlled by, or is under common Control with such Party.

1.2. "**Change of Control**" means any transaction or series of related transactions pursuant to which any person or entity, or group of persons or entities acting in concert, acquires: (i) direct or indirect ownership of more than fifty percent (50%) of the outstanding voting securities of a Party; or (ii) all or substantially all of a Party's assets.

1.3. "**Control**" means, with respect to an entity, the direct or indirect ownership of more than fifty percent (50%) of the voting interests of such entity, or the power to direct or cause the direction of the management and policies of such entity, whether through ownership, contract, or otherwise.

1.4. "**Company Product(s)**" shall mean the proprietary image processing software (IPS) for polarimetric thermal imaging enhancing sensor-based spatial perception and anomaly detection for machine vision and related services.

1.5. **"Customer(s)"** shall mean customers in the Territory and NATO Customers engaged with Wrap or any other party on its behalf (including without limitation any affiliate or third-party distributor) under a Customer Agreement for the purchase of subscription to Company Products.

1.6. "**Documentation**" shall mean all available instructions, user guides, manuals, and release notes provided by Company at any time, in printed and/or electronic form, that describe the installation, operation, use, or technical specifications of the Company's Product.

1.7. “**EULA**” shall mean Company’s End User License Agreement pertaining to the end-use of any Company Product, as will be made available by Frenel to Wrap and updated by Wrap from time to time.

1.8. **“Exclusivity Domain”** shall mean the fields of homeland security, defense, tactical systems, law enforcement, public safety, corrections, intelligence, border security, coast guard operations, customs and immigration enforcement, critical infrastructure protection, emergency management, civil protection, space and aerospace governmental activities, and related governmental or quasi-governmental functions government military branches, departments of defense, federal agencies, intelligence agencies, governmental divisions, state, provincial, regional, county, and municipal agencies and departments, law enforcement agencies, correctional institutions, public safety organizations, NASA and its affiliated programs, coast guard organizations, border protection agencies, customs authorities, and critical infrastructure operators.

1.9. “**NATO Customers**” shall mean Wrap customers which are either (i) NATO agencies (including NCIA an NSPA); or (ii) NATO members governments, but solely for such transactions which are funneled through and negotiated by the United States Department of War, and using United Stated Foreign Military Financing (‘**FMF’**) or Foreign Military Sales (‘**FMS’**), or other United States Government funding for the purchase of US-made equipment .

1.10. “**Territory**” shall mean the United States of America.

2. **Engagement and Licenses**.

2.1. Engagement. The Company hereby engages and appoints Wrap and Wrap hereby agrees to be engaged and appointed as the Company distributor of Company Products, on a limited exclusive basis (which is subject to the provisions of Sections 3 (“*Exclusivity*”) and4 (“*Minimum Annual Commitment*”), and solely to Customers in the Territory and if outside the Territory only to NATO Customers.

2.2. Distribution License. Subject to full and timely remittance of the Company’s Revenue Share portion, the Company grants Wrap a limited, non-transferable and non - sublicensable (except to a Wrap Affiliate upon written notice to Company) irrevocable during the Term except in vase of termination of this Agreement pursuant to the terms hereof, with limited exclusivity as set forth in Sections 3 and 4 of this Agreement, to promote, market, distribute, sell, offer for sale, integrate and otherwise provide the Company Product(s), solely to Customers within the Territory and/or, if outside the Territory, to NATO Customers, whether on a stand-alone basis or in combination, integration or bundled with Wrap’s (or Wrap authorized partners’) products and/or services (the “**Distribution License**”). In case of any sublicense of the Distribution License to any Wrap Affiliate Wrap shall remain responsible for such affiliate’s compliance with this Agreement

2.3. Demo License. The Company further grants Wrap a limited, non-exclusive, non-assignable, non-transferable license during the Term to access and use the Company Product and applicable Documentation solely for Wrap’s internal business purposes and demonstrations to prospective customers, all in accordance with the Company’s EULA. Except as expressly stated herein, no other rights in the Company Products are granted.

2.4. Restrictions. Wrap (including through its employees, representatives, independent service providers or contractors) shall not directly or indirectly: (i) reverse engineer, disassemble, decompile, modify, translate, or alter Company Product(s), or any part thereof, or attempt to reconstruct or discover any source code or underlying ideas or algorithms of any Company Product or any portion thereof by any means whatsoever; (ii) use any Company Product for any purpose other than the purposes expressly permitted under this Agreement; (iii) copy, develop any derivative works, improvements or modifications of any Company Product or part thereof, nor dismantle or disassemble any Company Product or bundle any parts or components of any Company Product with any other products, systems or services; (iv) assign, sublicense, transfer, lease or share the rights granted under this Agreement; (v) market, promote or resell the Company Product(s) outside the Territory, with the exception pf NATO Customers as expressly permitted under this Agreement or with the prior written consent of the Company; or (vi) use the Company Products for any competing or benchmarking purposes including for any internal or commissioned development of products or services which compete or substitute Company Product(s).

2.5. Assistance. In the event Wrap becomes aware that a third party is attempting or may attempt to take any of the foregoing actions prohibited by this Sections 2.3 and 2.4, Wrap shall immediately notify Company in writing and shall cooperate and provide full information and assistance to Company and its counsel in connection with any such action, or proceeding or other measure.

3. **Exclusivity.**

3.1. Scope of Exclusivity. Subject to full and timely remittance of the Company's Revenue Share portion and continuous fulfillment of the Minimum Commitment set forth in Section 4 below, the Distribution License provided hereunder to Wrap shall be exclusive to Wrap for a the period of four (4) years following the Effective Date, unless expired or terminated in accordance to the terms of this Agreement ("**Initial Exclusivity Period**") and solely in the Territory, or to NATO Customers and solely within the Exclusivity Domain (collectively the "**Exclusivity**"). Upon the lapse of the Initial Exclusivity Period, the Exclusivity shall be extended subject to Wrap's achievement of the applicable annual Minimum Commitments as agreed by the parties in accordance with section 4.3 below

3.2. Exclusivity Exclusions.

3.2.1. Existing Engagements: Notwithstanding the foregoing, the Exclusivity shall not apply to collaborations, evaluations, pilot programs, commercial discussions, strategic partnerships, reseller arrangements, customer engagements, manufacturing relationships, or other business opportunities between the Company and third parties that were actively ongoing prior to the Effective Date and are specifically identified in **Exhibit A** attached hereto (the "**Excluded Relationships**").

The Company shall have a period of twelve (12) months following the Effective Date (the "Initial **Transition Period**") to negotiate and execute definitive commercial agreements with any Excluded Relationship. The Company may, by providing a written notice to Wrap extend the Transition Period by additional six (6) months, in case a material discussions are being held with any of Excluded Relationships ("**Extended Transition Period**" and together with the Initial Transition Period "**Transition Period**"). Company shall consider in good faith engaging Wrap for provision of certain services as may be requested from time to time by said Excluded Relationships, provided Wrap is able and willing to provide such services under the terms and conditions to be agreed by the parties on a case-by case basis. During the Transition Period, the Company shall continue to manage such Excluded Relationships in good faith and shall provide Wrap with reasonable status updates upon request.

Any Excluded Relationship for which a binding commercial agreement has not been executed during the Transition Period shall automatically cease to qualify as an Excluded Relationship and shall thereafter become subject to Wrap's Exclusive rights under this Agreement

3.2.2. As shall be mutually agreed between the Parties in writing (under an applicable purchase order or otherwise), with respect to the Existing Engagements, Company shall endeavor to engage Wrap, whether as a service provider to Company, or otherwise facilitate Wrap's engagement with the applicable Frenel customer, to provide in connection with the applicable Existing Engagement(s) such agreed services including, as applicable of assembly, consulting, logistics and product support services, in connection with the Company Product(s).

3.2.3. Notwithstanding anything to the contrary, for any engagements for the delivery of Company Products (whether contracted by Wrap or Wrap's services in connection with Existing Engagement), in the event that it becomes evident or anticipated that Wrap is or will be unable to meet the timeline requirements for a specific customer, Company will provide Wrap written notice of such anticipated, suspected or actual demonstrated material failure to meet the customer specific timeline requirements, and Wrap shall have 60 days of Company's written notice to cure such failure to the satisfaction of the applicable customer. If such failure was not cured during said 60 days period, and the Parties were unable to mutually agree on a workaround within said cure period, Company shall be entitled to engage third parties for the provision, integration facilitation or otherwise fulfillment of such specific customer engagement for the provision of Company Products to said customer

3.3. For avoidance of doubt, no restrictions shall apply to Company, except as expressly stated under the provisions of this Section 3 ("*Exclusivity*").

4. **Minimum Annual Commitment.**

4.1. The Exclusivity provided to Wrap under this Agreement shall be subject to Wrap's continuous achievement of the annual minimum performance commitment described below ("**Minimum Commitment**"):

| | Deadline | Minimum Commitment | Additional Terms |
|---|---|---|---|
| 1 | Laps of 12 months following the Effective Date of the Agreement ("**First Annual Milestone**") | (a) Completion to the of establishment of a US value-chain, promotion, sales and marketing base-course in accordance with a detailed objective list attached herein as **Exhibit B**; and (b) Generation of at least: (i) three (3) documented demonstrations of Company Product(s) which were carried out to three (3) different prospective Customers; (ii) one (1) active pilot with one prospective Customer to evaluate Company Product(s); (iii) filing of one (1) offer for an RFQ (provide however that any applicable RFQs had been published by prospective Customers during this Agreement First Annual term with responses deadline within said First Annual term) , and (iv) ten (10) meetings with high-level decision makers for prospective customers. | |
| 2 | Laps of 24 months following the Effective Date of the Agreement ("**Second Annual Milestone**") | At least one (1) Customer Agreement for the purchase of system or subscription to the Company Product(s) executed for deployment. | |
| 3 | Laps of 36 months following the Effective Date of the Agreement ("**Third Annual Milestone**") | Wrap achieves executed sales of Company Product subscription/licenses yielding to Company total invoiced Net Revenues amounting in cumulative amount exceeding USD $3,000,000 (wherein "net revenue" means the gross amounts received by the Company for Company Product subscription/licenses executed by Wrap under Customer Agreements, less (a) sales, use, value-added, withholding, and other taxes or governmental charges; (b) refunds, credits, chargebacks, and allowances actually issued; (c) third-party payment processing and transaction fees directly related to such receipts). | |

4.2. In the event that Wrap fails to achieve the Minimum Commitment until the respective Deadline and is not able to remedy such failure to achieve the Minimum Commitment within: (i) 120 calendar days following the First Annual Milestone; and (ii) 90 days following each of the Second Annual Milestone or Third Annual Milestone thereafter ("**Cure Period**"), the Exclusivity shall expire and the Distribution License granted to Wrap hereunder shall automatically convert to a non-exclusive Distribution License and remain in effect as such for the remainder of the Agreement Term.

4.3. During the fourth year of the Agreement Term, the Parties may negotiate and agree on new annual Minimum Commitments to apply to the fourth year of the Agreement Term and onwards (on a yearly basis), which if achieved by Wrap will enable extending the Initial Exclusivity Period accordingly.

4.4. The Parties may, by mutual written consent, adjust the respective Minimum Commitment, Deadlines and/or the Cure Period.

5. **Parties' Obligations**.

5.1. Company Obligations

5.1.1. Frenel shall provide whether independently or through a third party: (i) provide to Wrap (and for the purpose of Wrap's distribution to and Wrap customers who subscribe or otherwise acquire the rights to use Company Product(s)) the most updated version made generally available by Frenel to its customers; (ii) Provide to Wrap such training and support services as shall be mutually agreed between the Parties in writing from time to time, with respect to the core components of the Company Product; (iii) to assist in the joint development of an alternative assembly/manufacturing facilities or capabilities, enabling classification of the Company Products as US-sourced systems; (iv) provide general technical expertise, training and guidance in connection with the Company Products.

5.1.2. Company shall provide, upon the requirement of any specific Wrap customer with a Service Level Agreement appendix detailing Company's obligations with respect to availability, support and maintenance of the Company's Products provided to said Wrap customer ("**SLA**").

5.1.3. Frenel further agrees to provide Wrap one demonstration system for demonstration of the Company's Product to potential customers ("**Demo System")**. Such Demo System shall be provided to Wrap at cost price, for the sole purpose of performing demonstrations of the Company Product to prospective customers; and the use of such shall be subject to the license provided in section 2.2 above and Frenel standard EULA. The license for the use of the Demo System shall not be subject to any renewal license fees.

5.2. Wrap obligations.

5.2.1. Marketing and Distribution Activities. Wrap undertakes to use its reasonable efforts to promote, distribute, offer for sale and sale subscriptions to the Company's Product (which at a minimum will include the activities listed in this Section 5.2 below) well as provision thereof to the respective customers in the Territory and/or NATO Customers, including without limitation any required deployment, integration or other set up services pertaining thereto.

5.2.2. Introductions and Support. Subject at all times to applicable law, regulation, governmental policy, security requirements, export control restrictions, procurement rules, agency-specific requirements, contractual obligations, and Wrap's reasonable business judgment, Wrap shall use commercially reasonable efforts to provide the Company with: (a) introductions to, and where appropriate endorsement of, relevant federal, defense, homeland security, public safety, aerospace, and government stakeholders, relationships, and opportunities aligned with the Company Product and the Parties' mutual commercialization objectives; (b) support navigating U.S. federal procurement pathways, pilot programs, grant opportunities, and agency engagement strategies; (c) guidance regarding U.S. federal contracting requirements and pathways that may facilitate the Company's pursuit of federal contracts, grants, cooperative agreements, or other opportunities, whether directly or through Wrap, a Wrap affiliate, or other authorized contracting vehicle; and (d) access to Wrap personnel possessing experience across U.S. Intelligence Community technologies and sensor platforms, Department of Defense applications and operational environments, NASA engineering programs and aerospace sensor applications, DARPA-adjacent research and development ecosystems, and Unmanned Aerial Systems (UAS/UAV) applications.

Notwithstanding anything herein to the contrary, Wrap shall have no obligation to provide direct access, introductions, sponsorship, endorsements, participation, contract support, proposal support, procurement support, facility access, classified access, controlled technical information, export-controlled information, government-furnished information, government-furnished equipment, security-cleared personnel, or engagement opportunities where such actions would be prohibited or restricted, under applicable law, regulation, governmental policy, or export control requirements, security clearance restrictions,. In such circumstances, Wrap may, in its sole discretion, satisfy its obligations under this Section through an Affiliate or an authorized contractor.

5.2.3. Promotion Activity

5.2.3.1. Wrap shall prepare, and furnish to the Company, a marketing plan and strategy for effective promotion and marketing of the Company Products in the Territory and/or to NATO Customers for the following twelve (12) months (the "**Marketing Plan**"). The Marketing Plan shall be subject to a reasonable consultation with the Company which shall have the right to comment on and propose changes thereto.

5.2.3.2. Wrap shall not make any promises, representations, warranties, or guarantees concerning the Company Products, except as outlined in the Documentation or as otherwise provided by Company in writing.

5.2.3.3. Wrap will not use, authorize, or permit the use of the name 'Frenel' or any other mark, trademark, or service mark, used or owned by Company, as part of its firm, corporate, or business name or in any way, except as expressly permitted in writing by Company. Wrap shall not contest Company's right to exclusive use of any name, branding, trademark, tradename, patent, technology, or other intellectual property rights used by Company before the date hereof or registered under Company's name.

5.2.3.4. Wrap agrees to actively and diligently, through the use of its reasonable efforts, promote and increase the sales and support the sales of the Company Products, by all legal and ethical means, including: (1) advertising and promotion; and (2) demonstration and presentations. Wrap shall perform and is responsible for marketing and promotional activities in compliance with all applicable laws and regulations, including, without limitation, laws, and regulations regarding marketing practices and import.

5.2.3.5. Company may provide Wrap with advertising, marketing, and sales materials at no charge. Wrap will obtain Company's prior permission prior to use of any marketing material that were not provided by Company.

5.2.4. Wrap Representatives. Wrap will designate and appoint a qualified and experienced executive to facilitate its ongoing support as the single contact and will be responsible for maintaining communication with Company's team in connection with the performance of this Agreement.

5.2.5. Quotations and Agreements with Customers.

5.2.5.1. Wrap shall provide the Company, without undue delay with a copy of the quotation provided by Wrap to the respective Customer for the Company's Products ("**Quotation**").

5.2.5.2. Any procurement by any Wrap customer and their respective end users of a right to use the Company's Product, shall be made only by a written agreement between Wrap and said customer ("**Customer Agreement**"), which shall be in full force and effect prior to the delivery or access by the respective customer and/or any of its end users, and must incorporate the Company's EULA. In any event, such Customer Agreement will not include any terms or provisions which may prejudice Company's rights and immunities under EULA. Wrap will ensure the customer's compliance with the Customer Agreement and the EULA. Upon Company's request, Wrap shall provide the Company with a copy of such executed Customer Agreement.

5.2.6. Wrap shall ensure that during the Term of this Agreement and the Tail Period, Mr. Scot Cohen and Mr. Jared Novick (each and together "**Key Person(s)**") shall be materially and actively involved on behalf of Wrap in the performance of Wrap obligations pursuant to this Agreement. To the extent any of the Key Persons' involvement on behalf of Wrap in the performance of Wrap obligations pursuant to this Agreement is materially reduced, diminished or concluded, Wrap shall be required to provide the Company with a written notice 60 days prior to such reduction of Key Persons involvement. Following the delivery of an advanced notice to the Company, Wrap shall have a 90 days period (including the 60 days advanced notice period) ("Replacement Review Period") to replace the Key Persons with individuals possessing the same level of expertise, commitment, knowledge, experience, networking, market skills and business expertise of the Key Persons ("**New Key Person**") to be approved in writing by the Company, which approval shall not be unreasonably withheld, conditioned, or delayed.. During the Replacement Review Period the Company shall have the right to reevaluate this Agreement and the performance of any New Key Person appointed on behalf of Wrap. in case at the end of the Replacement Review Period the Company reaches the reasonable conclusion that the removal of the Key Persons materially impair the Wraps ability to perform its obligations under this Agreement, it shall have the right to change the Exclusive distribution license to a non-exclusive status and revoke related commercial exclusivity rights granted to Wrap under this Agreement upon provision of a 45 days prior written notice to Wrap.

5.2.7. Wrap shall promptly notify Company of any Wrap customer's feedback, defects or other unresolved operational and/or technical problems which have been reported to or otherwise became known to Wrap.

5.2.8. Wrap shall comply, at its own expense, with any and all applicable laws and regulations and shall obtain all applicable governmental approvals, licenses, permits and authorizations necessary for the performance of its undertakings hereunder.

6. **Support and Personnel**

6.1. Wrap shall (with the assistance and guidance of Frenel) train, maintain and dedicate, for the performance of all of its obligations under this Agreement, highly qualified professional technical and sales personnel ("**Trained Personnel**"). Wrap undertakes that all services provided to Customers in connection with this Agreement shall be performed solely by Trained Personnel. If and to the extent that the Company shall offer any training program or such other certification program, then Wrap shall be required, at its own expense, to ensure that any of Wrap's Trained Personnel shall participate and comply with any such program.

6.2. Wrap shall: (i) provide such first level support and implementation services to Customers; (ii) be responsible for the successful deployment of Company's Product each through Wrap Trained Personnel and in accordance with Company's then current requirements and procedures, as may be provided to Wrap from time to time, and which may be amended from time to time at Company's sole discretion.

7. **Revenue Share**

Subject to the continuous fulfillment of the Parties' obligations hereunder, the Parties shall apply the following revenue sharing mechanism (the "**Revenue Share**").

7.1. Israeli-Sourced Company Products. For Company Products utilizing hardware, software, components, assemblies, or subsystems supplied by or through the Company or its designated suppliers, Wrap shall pay the Company: (a) the applicable Base Price quoted by the Company and accepted by Wrap for the applicable opportunity; and (b) a revenue share equal to ten percent (10%) of Net Funds invoiced by Wrap to the applicable customer for the Company Product and associated services.

7.2. U.S.-Sourced or Alternative Supply Chain Products. Where Wrap, a Wrap affiliate, a customer, or a U.S.-based supplier provides hardware, manufacturing, assembly, integration, or other components in lieu of Company- the Company shall be entitles to: (a) the Base Price set by the Parties in good faith and (b) a revenue share equal to ten percent (10%) of Net Funds invoiced and collected by Wrap to the applicable customer for the Company Product and associated services. Unless otherwise agreed in writing for a specific project, the Company shall not be entitled to receive a Base Price for hardware, manufacturing, assembly, or components not supplied by or through the Company.

7.3. Additional Services. Except as expressly agreed otherwise in a project-specific statement of work, the Company shall not be entitled to any revenue share from services independently developed, provided, or procured by Wrap which do not relate to the Company's Product, including without limitation training, consulting, deployment services, integration services, customer support, maintenance, logistics, warranty programs, managed services, software subscriptions unrelated to Company technology, data services, professional services, financing arrangements, or other Wrap-developed products or services. Any revenue share applicable to services directly attributable to Company technology shall be mutually agreed in writing prior to inclusion.

The Term "Base Price" means the price quoted by the Company to Wrap for the applicable Company Product, including Company-supplied hardware, software, components, assembly, and associated Company margin. The Base Price may vary on a case-by-case basis including based on hardware configuration, manufacturing location, assembly requirements, supply chain requirements, export requirements, customer requirements, and opportunity-specific considerations.

The Term "Net Funds" means amounts actually invoiced and collected by Wrap from a Customer in connection with the Company Product and associated services, excluding taxes, duties, shipping charges, third-party hardware not supplied by the Company, third-party software, rebates, refunds, credits, and expenses agreed in advance in writing by the Parties.

7.4. Company’s Loss Leader Protection. Wrap shall not advertise, market, license, offer for sale, sell, or otherwise make available or dispose of the Company Products as “loss leaders,” at prices below Wrap’s actual acquisition cost, or at prices that do not reflect the fair market value of the Company Products on a stand-alone basis, for the purpose of attracting customers, increasing traffic to other products or services, or promoting any other product or service of Wrap or any third party. In the event that Company Products are bundled or sold in conjunction with any other products or services, the imputed price attributable to the Company Products shall be no less than their fair market value. Any promotional discount, seasonal sale, or price-matching practice shall require Company’s prior written consent and shall not be primarily intended to circumvent the restrictions set forth in this Section.

7.5. Payment Terms.

7.5.1. Following actual receipt by Wrap of the applicable Customer payment, Wrap shall pay: (i) the applicable Base Price due to the Company; and (ii) the Company’s Revenue Share portion of the Net Funds attributable to such payment, within thirty (30) days following Wrap’s receipt of the corresponding Customer funds and receipt of a valid invoice from the Company.

7.5.2. Wrap shall have no obligation to advance funds, prepay amounts, finance customer purchases, fund customer payment delays, fund customer defaults, or otherwise make payments to the Company prior to receipt of corresponding customer funds. Notwithstanding the foregoing, in the event a particular Customer Agreement contains any services or products requiring out-of-pocket expenses or Non-Recurring Engineering in connection with the Company’s Products (“**NRE Services**”), Wrap shall cause the Customer to provide an advance payment for such NRE Services as part of the Customer payment terms under the Customer Agreement

7.5.3. In the event Customer payments are received in installments, milestones, progress payments, partial payments, subscription payments, maintenance payments, or any other staged payment structure, the Company’s entitlement to the applicable Base Price and Revenue Share shall accrue solely with respect to the portion of customer funds actually received by Wrap, and payment thereof shall be made within thirty (30) days following Wrap’s receipt of such portion.

7.5.4. Notwithstanding the foregoing, in the event Wrap or any of its Affiliates purchases Company Products for its own internal use, evaluation, demonstration, testing, inventory, integration, manufacturing, deployment, resale stock, research and development activities, government proposal activities, or other purposes where Wrap or its Affiliate is the end customer and no third-party customer payment is contemplated, Wrap shall pay the applicable Company invoice within thirty (30) days following receipt of the applicable invoice , unless otherwise agreed in writing by the Parties.

7.5.5. Wrap shall retain sole discretion regarding customer payment terms, milestone schedules, financing arrangements, acceptance criteria, collection efforts, settlement of disputes, credits, rebates, discounts, and compromise of customer claims, provided such actions are undertaken in good faith and on commercially reasonable terms.

7.6. `The Parties hereto confirm that the Revenue Share set forth in this Section 7 forms the sole, exclusive and complete consideration for all the Wrap’s undertakings under this Agreement and Wrap shall not be entitled to any other compensation, consideration, fee, commission, benefit and/or payment of any sort.

7.7. Warp shall be exclusively responsible for the payment of all applicable taxes, duties, fees and/or other impositions that may be levied pursuant to applicable law upon Wrap’ with regard to the performance of its obligations under this Agreement.

8. **<u>Records and Audit</u>**.

8.1. <u>Records and Reports</u>. During the Term and the Tail Period (as such term is defined below), Wrap shall provide the Company with: (i) a written notice and copy of the executed Customer Agreement, to be provided within 5 days of such execution; and (ii) quarterly written report detailing the marketing efforts and sales pipeline to be provided within fifteen (15) days following the end of each calendar quarter. Furthermore, Wrap shall maintain during the Term and for a period of 5 years thereafter complete and accurate books and records relating to the marketing, sale, provision, and distribution of the Company Products. To the extent permissible under applicable law, regulation, governmental policy, security requirements, , and U.S. Government requirements, and only when reasonably required by Company or for purposes of verifying amounts payable hereunder, Wrap may provide the Company with a copy of the applicable Customer Agreement. Any such Customer Agreement may be redacted by Wrap to remove pricing information unrelated to the Company Product, proprietary business information, proposal materials, competitive information, customer-specific confidential information, classified information, controlled unclassified information (CUI), export-controlled information, security-sensitive information, and other commercially sensitive information; provided, however, that the portions of such Customer Agreement directly pertaining to the Company Product and use thereof, applicable Base Price calculations, Revenue Share calculations, scope of Company Product deliverables, and payment milestones relevant to amounts payable to the Company shall remain reasonably identifiable.

8.2. <u>Audit</u>. During the Term and Tail Period, and for a period of 24 months following the expiration of the Tail Period, Company shall be entitled to audit Wrap's records related to its acts and performance under this Agreement whether by itself or by an independent auditor or accountant retained by Company, in each case subject to confidentiality obligations, solely to confirm compliance and accuracy of performance under this Agreement, as well as ensuring the Company's obligations to any regulatory authority under any applicable law are met in full. Company shall give Wrap no less than seven (7) business days prior notice of a contemplated audit. The audits shall be conducted during Wrap's regular business hours and shall not unreasonably disrupt Wrap's business operations. Unless a discrepancy has been detected such Audits shall be conducted not more than once annually. Wrap shall provide Company with full access to its relevant records and facility and assist in good faith in conducting the audit.

9. **<u>Intellectual Property</u>**

9.1. <u>Company IP</u>. The parties hereby acknowledge and agree that any and all rights, title and interest in and to any information, materials, technology, trademarks, data, documents or other records pertaining to the Company, its business, technology, products or services, including without limitation the Company Product, and any modifications, improvements, derivatives or enhancements of any of the foregoing (collectively "**Company IP**") shall be the sole and exclusive property of Frenel and its respective licensors. Nothing in this Agreement is intended to provide or otherwise grant Wrap any right in the Company Product or other Company IP in excess of the rights explicitly stated herein.

9.2. <u>Wrap IP</u>. The parties hereby acknowledge and agree that any and all rights, title and interest in and to any information, materials, technology, trademarks, data, documents or other records pertaining to Wrap, its business, technology, products or services, as well as any system integrations, hardware adaptations, workflows, APIs, and customer implementations executed by Wrap shall remain the sole and exclusive property of Wrap.

9.3. <u>New Joint IP</u>. To the extent that Wrap and Frenel wish to collaborate on the development of new intellectual property, the parties shall enter in a written Statement of Work ("**SOW**") detailing the New IP contemplated to be developed ("**New Joint IP**"), development timelines and costs allocations, and other related terms. Any such New Joint IP shall be deemed jointly owned by the parties. Each Party shall have the right to use such New Joint IP within its respective field of use, subject to reasonable restrictions on direct competition with the other Party's core standalone products, all as to be agreed in writing in the respective SOW. For the avoidance of doubt, any New Joint IP shall not include either Party's pre-existing intellectual property (including any enhancements or improvements thereof) or independently developed derivatives that do not require the use or integration of the other Party's intellectual property.

10. **Representations and Warranties**

10.1. Each Party represents and warrants to the other Party as follows: (i) It is duly organized and validly existing under the laws of the jurisdiction under which it has been incorporated; it has full corporate power and authority to execute this Agreement and to perform its obligations hereunder; (ii) This Agreement, when executed and delivered by it, will constitute a valid and legally binding obligation on its part, enforceable in accordance with its terms; (iii) The execution, delivery, and performance of this Agreement will not result in the breach or violation of any law, regulation, or guidelines applicable to it or any contract or commitment by which it is bound; (iv) it shall perform its obligation hereunder in compliance with all applicable laws, rules, regulations, including, without limitations (a) compliance with any applicable export laws, restrictions, and regulations, and (b) compliance with any applicable anti-bribery and anti-corruption laws and regulations applicable to either Party's own business; and (iv) it will not engage in any illegal activity in connection with this Agreement.

10.2. Wrap hereby represent and warrants to Company that (i) it has the required knowledge, experience, and financial capacity to fulfill its obligations hereunder; and (ii) it holds all permits, licenses, certificates, accreditations, or other authorizations from all governmental entities and agencies required for the performance of its obligations under this Agreement.

10.3. Wrap further represent and warrant that it, its Affiliates and any customers and/or customer's end users to whom Wrap offer, provide, license, sell or otherwise make available the Service and any employees, service providers, officers, directors, agents, or beneficiaries, are not and shall not be a (i) Sanctioned Person(s), and (ii) shall not operate in , reside in, or use or access the Services for in or from a Sanctioned Country. Without derogating from the foregoing Wrap will comply with all applicable national and international laws that apply to its use and resale of the Company Products, including the United States Export Administration Regulations, as well as end user, end use and destination restrictions which may be issued by the United States and other governments from time to time. For the purposes hereof the following terms shall at all times have the following the following meanings: Sanctioned Person shall mean (a) any person or entity listed on an Sanctions-related list of designated persons maintains by Office of Foreign Assets Control (OFAC), the Department of State, the United Nations Security Counsil, the European Union, Her Majesty's Treasury, or other relevant sanctions authority, (b) any person or entity operating, organized or resident in a Sanctioned Country or (c) any person or entity owned controlled by or such person or persons described in paragraph (a) or (b). "Sanctioned Country" shall mean a country region or territory which is itself the subject of or target of any sanctions and anti-money laundering laws, regulations, trade embargoes, prohibitions, restrictive measures, decisions, executive orders or notices from regulators implemented, adapted, imposed, administered, enacted and/or enforced by the United States, United Nations, European Union, any other applicable jurisdiction, and including without limitation, Cuba, Iran, Syria, Sudan, North Korea, Lebanon, Russia, Belarus, Crimea region of Ukraine.

**11.** **Non-Competition**. For the Term of this Agreement and eighteen (18) months following any termination or expiration thereof, Wrap undertakes to not (i) knowingly engage any third party for the provision, sale, offer for sale, marketing or otherwise supply of Polarimetric sensors products or services within the Territory or to any NATO Customers hereof; or (ii) develop similar or competing products or services to products or service of the Company, specifically Polarimetric sensors products or services and/or Image Processing Software and algorithms, whether independently or by using Frenel's shared know-how and expertise.

12. **Confidential Information**

12.1. Definition of Confidential Information. As used herein, "Confidential Information" means all information disclosed by a Party ("**Disclosing Party**") to the other Party ("**Receiving Party**"), whether orally or in writing, that is designated as confidential or that reasonably should be understood to be confidential given the nature of the information and the circumstances of disclosure, concerning the Disclosing Party's business, including without limitation, documentation, business information, and marketing plans, financial plans, product development, market plans, cost, pricing terms and strategy, and any other technology and technical information, product plans and designs, and business processes. However, Confidential Information shall not include any information that (i) is or becomes generally known to the public without breach of any obligation owed to the Disclosing Party, (ii) was known to the Receiving Party before its disclosure by the Disclosing Party without breach of any obligation owed to the Disclosing Party, (iii) is received from a third party without breach of any obligation owed to the Disclosing Party, or (iv) was independently developed by the Receiving Party without the use or reference to the Confidential Information. Without derogating from the generality of the foregoing, it is clarified that all Confidential Information associated with the Company Products shall be Company's Confidential Information.

12.2. Protection of Confidential Information. During the Term and for seven (7) years thereafter, the Receiving Party undertakes to take precautionary measures to protect and maintain the confidentiality of the Confidential Information of the Disclosing Party; said precautionary measures should be at least equivalent in scope and effect to the measures that the Receiving Party itself takes to protect its confidential information and to prevent the disclosure or at least reasonable measures. The Receiving Party undertakes (i) not to use any Confidential Information of the Disclosing Party for any purpose except as reasonably required to perform under this Agreement, and (ii) except as otherwise authorized by the Disclosing Party in writing, to limit access to Confidential Information of the Disclosing Party to those of its employees, contractors, and agents who need such access for purposes consistent with this Agreement and who are bound to confidentiality protection provisions no less stringent than those herein.

12.3. Compelled Disclosure. The Receiving Party may disclose Confidential Information of the Disclosing Party if it is compelled by law to do so, provided that the Receiving Party gives the Disclosing Party prior notice of such compelled disclosure requirement (to the extent legally permitted) and reasonable assistance, at the Disclosing Party's cost, if the Disclosing Party wishes to contest the disclosure or limit its scope. If the Receiving Party is compelled by law to disclose the Disclosing Party's Confidential Information, it shall, in any event, make reasonable efforts to obtain confidential treatment of the information disclosed, if legally possible.

13. **Term and Termination.**

13.1. Term. This Agreement shall commence as of the Effective Date and shall remain in force until terminated in accordance with the terms hereof ("**Term**").

13.2. Termination. A Party shall be entitled to terminate this Agreement as follows:

13.2.1. A Party can terminate this Agreement if the other Party is in material breach of this Agreement (the "**Breaching Party**"), which is not cured within thirty (30) days of the receipt of a written notice detailing such breach from the other Party (the "**Non-Breaching Party**").

13.2.2. In case Wrap fails to achieve the Minimum Commitment in accordance with section 4.1 above, starting at the second anniversary of this Agreement, and at any anniversary thereafter, the Company shall have the right to terminate the Agreement upon provision of a thirty (30) days' written notice to Wrap.

13.2.3. A Party can terminate this Agreement by a written notice with immediate effect if the other Party files for protection under bankruptcy or insolvency laws.

13.2.4. Wrap Change of Control. Company shall be entitled to terminate this Agreement upon ninety (90) days' prior written notice in the event Wrap undergoes a Change of Control and the acquiring entity is a direct competitor of the Company.

13.2.5. No Change of Control of the Company shall diminish, impair, terminate, revoke, modify, restrict, or otherwise adversely affect Wrap's rights under this Agreement. To the extent necessary, upon Change of Control off the Company, the Parties shall execute all necessary documents and/or agreements to secure Wrap's right provided under this Agreement.

13.3. Effects of Termination.

13.3.1. Upon termination of this Agreement, all rights and licenses granted by Company hereunder shall immediately terminate. Notwithstanding the foregoing, any limited licensed granted under Customer Agreements for the provision of subscription to Company Products executed pursuant to the Agreement prior to its termination and or with any Advance Prospect(s) during the Tail Period, shall continue to apply until the termination or expiration of any such respective customer agreement.

13.3.2. Except in case of termination of this Agreement by Company for Wrap's breach, upon termination or expiration of this Agreement, Wrap shall be entitled to continue to receive its Revenue Share portion, in connection with a respective Customer Agreement executed during the 12-month period following the date of termination of this Agreement ("**Tail Period**").

13.3.3. Within 30 days as of the termination of the Agreement, Wrap shall provide the Company a list of up to 10 prospects that are engaged in advanced negotiations with Wrap for the purchase of Company's Product subscription ("**Advanced Prospect(s)**").

13.3.3.1. A prospective customer in the Territory or a prospective NATO Customer (each "**Prospect**") shall be deemed an Advanced Prospect if: (i) prior to the effective date of termination of this Agreement said Prospect was engaged with Wrap in a proof of concept or other trial of the Company Products; (ii) the Prospect is engaged in concrete and substantial negotiations with Wrap in connection with the provision of Company Product(s) which include exchange of agreement drafts for the subscription to Company Products and key decision makers of the prospect are engaged in the negotiation of such contemplated transaction.

13.3.3.2. Wrap may request in writing to add prospects in excess of the permitted ten (10) Advanced Prospects to the Advanced Prospects list, and Frenel shall consider in good faith such request. Subject to Frenel's approval, such addition prospects will be added to the Advanced Prospects list, and the terms of this section 13.3.213.3.2 will apply.

13.3.3.3. The Parties agree that to the extent a binding Customer Agreement will be executed between Wrap and any of the Advanced Prospect within the Tail Period ("**Advanced Engagement**"), the respective Party's obligations under the Agreement shall apply in full to such Advanced Engagements (including without limitation obligation pertaining to provision of limited Distribution License and Revenue Share).

13.3.4. Receiving Party shall destroy all copies of any confidential information provided by Disclosing Party according to the Agreement and provide a certificate attesting the destruction.

14. **Mutual Indemnification.**

14.1. Each Party (the “Indemnifying Party”) shall indemnify, defend, and hold harmless the other Party and its respective affiliates, subsidiaries, officers, directors, employees, shareholders, agents, contractors, successors, assigns, distributors, authorized resellers, and customers (collectively, the “Indemnified Parties”) from and against any and all third-party claims, demands, actions, proceedings, liabilities, judgments, settlements, damages, losses, penalties, fines, costs, and expenses (including reasonable attorneys’ fees and expert fees) arising out of or relating to: (a) the Indemnifying Party’s material breach of this Agreement; (b) the negligence, gross negligence, willful misconduct, fraud, or violation of law by the Indemnifying Party or its personnel; or (c) the Indemnifying Party’s violation of any applicable law, regulation, export control requirement, sanctions requirement, procurement rule, or governmental directive.

14.2. Company Indemnification. Without limiting Section 14.1, Company shall indemnify, defend, and hold harmless Wrap and the other Wrap Indemnified Parties from and against any and all third-party claims, losses, liabilities, damages, costs, and expenses (including attorneys’ fees) arising out of or relating to: an allegation that the Company Product, Company technology, Company software, Company documentation, or any portion thereof infringes, misappropriates, or otherwise violates any patent, copyright, trademark, trade secret, or other intellectual property right of a third party;

In the event of an intellectual property claim, Company shall, at its sole expense may, promptly: (i) procure for Wrap the right to continue using, marketing, distributing, selling, integrating, and supporting the affected Company Product; (ii) replace the affected Company Product with a non-infringing equivalent; or (iii) modify the affected Company Product to become non-infringing without materially diminishing functionality. If none of the foregoing is commercially reasonable, and the Customer terminates the respective Customer Agreement Company shall refund all amounts paid by Wrap relating to such affected Customer Agreement Product.

14.3. The foregoing intellectual property indemnification rights shall be in addition to, and not the exclusive remedy for, any rights or remedies available to Wrap under this Agreement, at law, or in equity.

Company shall have no obligation under this Section to the extent a claim arises solely and directly from modifications made by any party which is not the Company or without Company’s written authorization, provided the claim would not have arisen but for such modification.

14.4. <u>Indemnification by Wrap</u>. Wrap agrees to indemnify, defend and hold harmless Company and its officers, directors, agents, employees, shareholders, successors and assigns, from and against any and all liabilities, judgments, losses, damages, costs, charges, attorneys’ fees, and other expenses resulting directly or indirectly from any and all claims, actions, and suits asserted by any third party against Company, arising from Wrap’s or any of its employees, officers, agents or contractors’ non-compliance with the terms of any Customer Agreement.

14.5. Indemnification Procedures. The indemnification obligations of either Party are subject to the indemnified Party: (i) providing reasonably prompt written notice after becoming aware of the claim; provided that failure to provide prompt notice shall not relieve the indemnifying Party of its obligations except to the extent materially prejudiced thereby; (ii) permitting the indemnifying Party to control the defense of the claim; provided that no settlement shall be entered into without the indemnified Party’s prior written consent if such settlement imposes obligations on, restricts rights of, or admits liability on behalf of the indemnified Party; and (iii) providing reasonable cooperation at the indemnifying Party’s expense.

Notwithstanding the foregoing, the indemnified Party shall have the right to participate in the defense with counsel of its choosing at its own expense, and may assume control of the defense at the indemnifying Party's expense if the indemnifying Party fails to diligently defend the claim or if the claim could reasonably be expected to materially impact the indemnified Party's business, reputation, governmental relationships, regulatory standing, or customer relationships.

15. **Warranty Disclaimer**. COMPANY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR NON-INFRINGEMENT, OR ANY OTHER WARRANTIES OR CONDITIONS ARISING OUT OF COURSE OF DEALING OR USAGE, OR TRADE PERTAINING TO THE COMPANY PRODUCTS. ANY SUCH COMPANY PRODUCTS AND SERVICES ARE PROVIDED ON AN "AS-IS" BASIS AND WITHOUT WARRANTIES OF ANY KIND.

16. **Limitation of Liability**. Neither Party shall be liable to the other Party for any indirect, incidental, consequential or special damages (including lost profits) sustained or incurred in connection with this Agreement or the resale of the Company Products, regardless of the form of action and whether such damages are foreseeable or known in advance to be possible. Except in connection with the obligations as provided in Section 2.3, 2.4 11, 12 and 14.3, gross negligence, willful misconduct or fraud, neither party's liability to the other Party shall exceed the amounts paid to Company by Wrap under this Agreement during the twelve (12) month period immediately preceding the date a Party notifies the other of the claim. This limitation applies to all causes of action, including without limitation any action for breach of contract, breach of warranty, negligence, strict liability, misrepresentation and other torts.

17. **Miscellaneous**

17.1. Relationship of the Parties. The relationship hereby established between Company and Wrap is solely that of independent contractors. This Agreement shall not create any agency, partnership, joint venture, or employer/employee relationship, and nothing hereunder shall be deemed to authorize either Party to act for, represent or bind the other except as expressly provided in this Agreement.

17.2. Force Majeure. Neither Party shall be liable for any delay in performance of its obligations under this Agreement due to the occurrence of any contingency beyond its reasonable control, including but not limited to acts of God, acts of civil or military authority, strikes, fires, floods, earthquakes, epidemics, quarantine restrictions, war, riots, civil disobedience, embargo, rebellions, delays in transportation, unexpected governmental requirements and inability to obtain necessary labor, materials, permits, transport or manufacturing facilities. In the event of any such delay, the date of delivery shall be extended for a period equal to the time lost by reason of the delay.

17.3. Waiver. No waiver of any breach of this Agreement will be a waiver of any other breach, and no waiver will be effective unless made in writing and signed by an authorized representative of the waiving Party. The failure of either Party to enforce any rights granted hereunder or to take action against the other Party in the event of any breach hereunder shall not be deemed a waiver by that Party as to subsequent enforcement of rights or subsequent actions in the event of future breaches.

17.4. Modifications of Agreement/Entire Agreement. This Agreement, including any referenced written addenda, and exhibits constitutes the entire agreement between the Parties and supersedes all previous agreements or representations, written or oral, with respect to its subject matter. This Agreement may not be modified or amended except in writing signed by a duly authorized representative of each Party.

17.5. Assignment and Binding Effect. Except as expressly permitted herein, neither Party may assign, transfer, delegate, novate, or otherwise convey this Agreement or any rights or obligations hereunder without the prior written consent of the other Party. Notwithstanding the foregoing Either Party may, without the consent of the other Party but upon provision of a notice thereof, assign, transfer this Agreement and any rights granted hereunder to (i) any Affiliate, , including for purposes of compliance with government contracting, security, regulatory, procurement, export control, or customer requirements; or (ii) a successor of a Party in connection with a merger, acquisition or purchase of all or substantially all of a Party's shares or assets and providing: (a) the successor is not a direct competitor of the other Party ; and (b) the Successor shall fully assume and be bound by the terms of this Agreement . No assignment, merger, acquisition, sale, transfer, license, disposition, or Change of Control of the Company shall diminish, impair, terminate, revoke, restrict, circumvent, or otherwise adversely affect Wrap's rights under this Agreement. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and assigns.

17.6. Governing Law; Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the state of New York, without regard to any conflicts of laws rules or principles. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement and is hereby disclaimed. Any claim, dispute or controversy between the Parties will be subject to the exclusive jurisdiction and venue of the courts located in New York, NY, and each Party hereby irrevocably submits to the personal jurisdiction of such courts and waives any jurisdictional, venue, or inconvenient forum objections to such courts.

17.7. Notices. All notices shall be in writing, addressed to the receiving Party's address set forth below or to such other address as a Party may designate by notice hereunder.

| | |
|---|---|
| If to Frenel: | If to Wrap: |
| Frenel Imaging Ltd.<br>To the address provided above.<br>Attn: Sagi Zur Arie / Ran Bar-Yosef | Wrap Technologies, Inc.<br>To the address provided above<br>Attn: Scot Cohen / Jared Novick |

All notices shall be deemed to have been given (i) if by hand, at the time of the delivery thereof to the receiving Party at the address of such Party set forth above, (ii) if sent by air courier, on the second (2) business day following the day such notice is delivered to the courier service, or (iii) if sent by registered or certified mail, on the fourth (4) business day following the day such mailing is made (iv) if transmitted by means of recorded or electronic communication, on the business day of successful transmission.

17.8. Severability. In the event any provision or part of this Agreement is held to be invalid or unenforceable by any court of competent jurisdiction, it shall be amended to the extent required to render it valid, legal, and enforceable, or deleted if no such amendment is feasible, and such amendment or deletion shall not affect the enforceability of the other provisions hereof.

**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the date first above written.

**Frenel Inc.**

By: */s/ Sagi Zur Arie*
Name: Sagi Zur Arie
Title: Chief Executive Officer (Interim)

**Wrap Technologies Inc.**

By: */s/ Scot Cohen*
Name: Scot Cohen
Title: Chief Executive Officer

**Exhibit A**

**Existing Engagements**

**List of existing/ongoing direct engagements in the US**
**Strategic:**

1. DRS (US) and/or RADA (US) and/or Leonardo DRS.
2. Redwire Inc. (US) including former divisions of Edge Autonomy Inc.

**Technical/commercial collaborations and Manufacturing (excluding sales of Frenel software or technology within the territory):**

3. Polaris Sensor Technologies Inc.
4. Moxtek Inc.
5. Sierra Olympia Technologies Inc.
6. Eoptic Inc.

**Other:**

7. Atlantic Bridge Solutions (US) and/or ANC group (US)
8. CET Sandbox

**Exhibit B**

**U.S. COMMERCIALIZATION, LOCALIZATION, AND MARKET DEVELOPMENT OBJECTIVES**

The Parties acknowledge that the purpose of this Exhibit B is to establish objective criteria for the First Annual Milestone described in Section 4.1 of the Agreement. The objectives contained herein are intended to measure Wrap's commercialization efforts, infrastructure development, and market creation activities and shall not require the successful award of contracts, customer procurement decisions, grant awards, government approvals, funding approvals, or other events outside of Wrap's reasonable control.

For purposes of satisfying the First Annual Milestone, Wrap shall be deemed to have completed the establishment of a U.S. value-chain, promotion, sales, and marketing base-course upon completion of the following activities:

**1. U.S. Commercialization Infrastructure**

Wrap shall designate personnel responsible for commercialization, sales, technical support, customer engagement, and business development activities related to the Company Product within the Territory and NATO Customer markets.

**2. Marketing and Sales Plan**

Wrap shall develop and maintain a written commercialization strategy and marketing plan for the Company Product addressing applicable public safety, defense, homeland security, intelligence, aerospace, government, and related market opportunities.

**3. Demonstration Capability**

Wrap shall establish and maintain the capability to demonstrate the Company Product to prospective customers, including maintaining at least one demonstration system, demonstration environment, or equivalent evaluation capability.

**4. Customer Engagement Activities**

Wrap shall conduct not fewer than three (3) documented demonstrations, presentations, workshops, evaluations, or technical briefings involving prospective customers, government agencies, strategic partners, integrators, manufacturers, distributors, or procurement stakeholders.

**5. Pilot Program Development**

Wrap shall use commercially reasonable efforts to establish and support at least one pilot program, proof-of-concept, evaluation, technical assessment, operational assessment, or customer trial involving the Company Product.

**6. Government and Strategic Engagement**

Wrap shall engage in business development activities directed toward federal, defense, homeland security, intelligence, public safety, law enforcement, aerospace, NATO, or related governmental opportunities, including customer meetings, demonstrations, industry events, conferences, procurement discussions, or partner engagements.

**7. Supply Chain and Localization Assessment**

Wrap shall evaluate and document potential U.S.-based manufacturing, assembly, integration, testing, support, logistics, or supply-chain capabilities that may support future deployment, localization, or U.S.-sourced production of systems incorporating the Company Product.

**8. Integration Assessment**

Wrap shall evaluate and document potential integration opportunities between the Company Product and Wrap products, systems, autonomous platforms, sensors, software, command-and-control systems, drones, robotics platforms, public safety technologies, or related solutions.

**9. Customer Opportunity Development**

Wrap shall conduct not fewer than ten (10) documented meetings, whether in person or virtual, with prospective customers, government stakeholders, strategic partners, integrators, manufacturers, distributors, or decision-makers relating to potential deployment of the Company Product.

**10. Proposal and Procurement Activities**

Where applicable opportunities exist during the First Annual Milestone period, Wrap shall use commercially reasonable efforts to participate in one or more requests for information (RFIs), requests for quotation (RFQs), requests for proposal (RFPs), grant opportunities, pilot opportunities, procurement opportunities, or other customer acquisition activities relating to the Company Product.

**11. Affiliate and Government Contracting Structures**

Wrap may satisfy any obligation under this Exhibit B through Wrap directly or through any Affiliate, wholly owned subsidiary, government contracting entity, special purpose entity, distributor, reseller, integrator, subcontractor, or strategic partner acting on Wrap's behalf.

**12. Commercial Reasonableness Standard**

The Parties acknowledge that customer purchasing decisions, procurement timelines, funding availability, government approvals, export approvals, contracting actions, competitive procurements, and operational requirements are outside Wrap's control. Accordingly, fulfillment of the activities described in this Exhibit B shall constitute satisfaction of the First Annual Milestone regardless of whether any resulting customer purchase, contract award, subscription, deployment, or revenue is ultimately achieved.

For the avoidance of doubt, Wrap's obligations under this Exhibit B are obligations of effort, commercialization, and market development and shall not constitute guarantees of customer adoption, contract awards, revenue generation, procurement outcomes, or commercial success.

**Exhibit B (continued) - Checklist**

The Parties agree that Wrap shall be deemed to have satisfied the First Annual Milestone upon completion of the applicable objectives set forth below. The Parties shall review this checklist in good faith upon request and may update the status of each objective periodically throughout the First Annual Milestone period.

| Ref. | Objective | Success Criteria | Evidence of Completion | Status |
|---|---|---|---|---|
| B-1 | U.S. Commercialization Infrastructure | Designate personnel responsible for commercialization, sales, technical support, and business development activities related to Company Products | Organizational chart, assignment memorandum, employee designation, contractor agreement, or equivalent documentation | ☐ Complete |
| B-2 | Marketing and Sales Plan | Develop a written commercialization, sales, and marketing strategy for the Company Product | Marketing plan, sales strategy, commercialization roadmap, business development plan, or equivalent documentation | ☐ Complete |
| B-3 | Demonstration Capability | Establish capability to demonstrate Company Products within the United States | Demonstration system, demonstration environment, evaluation kit, demonstration equipment, or equivalent capability | ☐ Complete |
| B-4 | U.S. Value Chain Assessment | Identify and evaluate potential U.S.-based manufacturing, assembly, integration, logistics, support, or supply-chain partners | Meeting records, supplier assessments, NDAs, proposals, memoranda, evaluations, or equivalent documentation | ☐ Complete |
| B-5 | Integration Assessment | Evaluate integration of Company Products with Wrap systems, autonomous platforms, drones, robotics, sensors, software, command-and-control systems, or other solutions | Technical assessment, integration study, engineering review, presentation, report, or equivalent documentation | ☐ Complete |
| B-6 | Government & Strategic Engagement | Conduct outreach to federal, defense, homeland security, intelligence, public safety, aerospace, or NATO opportunities | Meeting records, conference participation, customer engagements, presentations, demonstrations, or equivalent documentation | ☐ Complete |
| B-7 | Demonstration #1 | Conduct documented demonstration with Prospective Customer #1 | Demonstration report, meeting record, customer correspondence, sign-in sheet, or equivalent documentation | ☐ Complete |
| B-8 | Demonstration #2 | Conduct documented demonstration with Prospective Customer #2 | Demonstration report, meeting record, customer correspondence, sign-in sheet, or equivalent documentation | ☐ Complete |
| B-9 | Demonstration #3 | Conduct documented demonstration with Prospective Customer #3 | Demonstration report, meeting record, customer correspondence, sign-in sheet, or equivalent documentation | ☐ Complete |
| B-10 | Active Pilot Program | Conduct at least one active pilot, proof-of-concept, evaluation, or technical assessment with a prospective customer | Pilot agreement, evaluation agreement, customer correspondence, testing plan, or equivalent documentation | ☐ Complete |
| B-11 | RFQ / RFP Participation | Submit at least one response to a published RFQ, RFP, solicitation, grant opportunity, procurement opportunity, or equivalent request that was available during the First Annual Milestone period | Proposal submission, confirmation receipt, solicitation response, or equivalent documentation | ☐ Complete |
| B-12 | Executive Customer Meetings | Conduct at least ten (10) meetings with high-level decision makers of prospective customers, government agencies, strategic partners, or procurement stakeholders | Meeting records, calendar invitations, correspondence, attendance records, CRM entries, or equivalent documentation | ☐ Complete |

**Exhibit B (continued) – Meeting Tracker**

| Meeting No. | Organization | Name / Title | Date |
| --- | --- | --- | --- |
| 1 | | | |
| 2 | | | |
| 3 | | | |
| 4 | | | |
| 5 | | | |
| 6 | | | |
| 7 | | | |
| 8 | | | |
| 9 | | | |
| 10 | | | |

The Parties acknowledge and agree that the foregoing objectives are intended to measure Wrap's commercialization efforts and infrastructure development activities. Wrap shall not be deemed to have failed the First Annual Milestone due to factors outside its reasonable control, including customer procurement delays, funding delays, budgetary decisions, contract award decisions, government approvals, export approvals, competitive procurement outcomes, or other third-party actions. Completion of the foregoing objectives shall constitute satisfaction of the First Annual Milestone for purposes of Section 4.1 of the Agreement.

**[EXHIBIT B - END]**

**Exhibit 99.1**

**WRAP Launches WrapShield: An Autonomous Defense & Public Safety Platform, Beginning with Advanced Thermal Polarimetric Sensing for Counter-UAS and Expanding Across AI-Enabled Security Responses**

*WRAP anchors the platform with a strategic investment in Frenel Imaging Ltd., securing WRAP exclusive U.S. and NATO commercialization rights to TPiCore® thermal-polarimetric sensing and establishing the detection layer for WrapShield and potential future responses across every domain*

MIAMI, July 07, 2026 (GLOBE NEWSWIRE) — Wrap Technologies, Inc. (Nasdaq: WRAP) ("Wrap" or, the "Company"), a global public safety technology company, today launched WrapShield, an autonomous defense and public safety platform designed to detect threats earlier, orchestrate the response, and act with proportionate, mission-appropriate action; built on the conviction that this decade's defining threats, from the battlefield to the homeland, will be solved not by better individual devices but by an intelligent operating layer connecting detection to response.

WrapShield represents the next evolution of WRAP – from a company recognized for innovative non-lethal tools to a platform company connecting advanced sensing, artificial intelligence, command-and-control, and response technologies into a unified operating architecture for public safety, homeland security, defense, and critical infrastructure.

To stand up the platform's detection layer, WRAP announced a strategic investment in Frenel Imaging Ltd. ("Frenel"), an Israeli advanced-sensing company, together with an exclusive U.S. and NATO license to Frenel's proprietary TPiCore® thermal-polarimetric imaging. Frenel is expected to be the first of many planned investments into WrapShield. WRAP believes it identified the market's blind spot early and secured access before the U.S. market fully understood this newly validated operational technology. Already in operational use in Israel, Frenel's technology brings WRAP access to a sensing capability that the Company believes is relevant to U.S. defense and public safety markets.

WrapShield is an autonomous defense and public safety platform intended to serve as an operating layer that connects detection, decision, and response across complex operational environments. WrapShield is designed to enable government agencies to integrate existing and future sensors, AI capabilities, and response technologies into a unified operational ecosystem.

- **Detect:** Advanced multi-modal sensing beginning with Frenel's TPiCore® thermal-polarimetric imaging and AI edge processing, with an architecture designed to incorporate additional sensing technologies over time.

- **Orchestrate:** AI-assisted, human-supervised threat detection, classification, and decision support that fuses sensor data, assesses threats, and recommends proportionate courses of action while interoperating with government and third-party command-and-control systems.

- **Respond:** A response layer capable of integrating WRAP's own technologies as well as third-party and government response capabilities – kinetic or non-kinetic, lethal or non-lethal, autonomous or human-directed – based on mission requirements, rules of engagement, and customer preferences. The initial application is counter-UAS, with an architecture designed to expand across defense, public safety, critical infrastructure, border security, and other autonomous security missions.

The platform's advantage begins with physics. Conventional thermal cameras generally read one dimension of infrared data – intensity; TPiCore® is designed to read a additional data layers, capturing the polarization of thermal radiation at the pixel level to support reconstruction for each object's physical characteristics and material composition. The Company believes this polarimetric fingerprint cannot be spoofed, jammed, or turned off, and requires no RF signal to detect. Frenel's technology implements real-time processing on edge hardware across drone, ground, fixed-site, naval, and handheld configurations.

"We believe the polarimetric fingerprint of an object is as immutable as its molecular composition — it cannot be spoofed, jammed, or turned off. WRAP is the right partner to scale this capability across the U.S. and NATO" said Sagi Zur Arie, Founder & Chief Technology Officer, Frenel.

For two decades these were nation-state problems – engineered abroad, fought on foreign battlefields, and countered almost exclusively by the U.S. military. We believe that era is over: the same autonomous, RF-silent systems now cross the U.S. border, loiter over domestic airspace, and probe critical infrastructure at home – and defending against them is no longer the military's job alone: homeland security, critical infrastructure, and public safety must all be able to detect, orchestrate, and respond. The most dangerous of these systems may carry no radio link, rendering them invisible to the RF-based detection the counter-UAS market is built on. WrapShield is designed to help address that blind spot.

"WrapShield represents our long-term vision for the future of defense and public safety," said Scot Cohen, Chief Executive Officer of WRAP. "We're beginning with one of the most urgent operational challenges facing the world today – countering the rapidly growing threat posed by unmanned aircraft systems. As asymmetric threats become more accessible to lone actors and sophisticated adversaries alike, our customers need platform-level solutions that match the speed, scale, and economics of the threat. WrapShield is our answer: an autonomous platform that is designed to enable earlier detection, AI-assisted decision support, and integration with the response technologies our customers trust. Frenel's advanced thermal polarimetric sensing technology is the first building block in what we believe will become a foundational platform for the next generation of defense and public safety."

**A Sensing Capability Applicable Across Emerging Security and Autonomous Markets**

Thermal polarimetric sensing is the next level of Visual Actionable Intelligence with applicability extending well beyond traditional public safety environments. Illustrative markets and applications include:

- Defense Intelligence, Surveillance, and Reconnaissance (ISR)
- Counter-Unmanned Aircraft Systems (Counter-UAS)
- Autonomous Ground, Maritime, and Aerial Vehicles
- Maritime Domain Awareness
- Persistent Surveillance Missions
- AI-Enabled Perception Systems
- Robotics and Autonomous Platforms
- Military and Allied Defense Applications
- Border Security
- Critical Infrastructure Protection
- Industrial Monitoring
- Advanced Remote Sensing Architectures
- Airborne and Persistent Observation Missions

Because thermal polarimetric sensing measures characteristics inherent to physical materials rather than solely thermal intensity, management believes it is positioned as the underlying technology that will support future applications ranging from ground-based security operations to airborne remote sensing architectures, persistent observation missions, and intelligent autonomous systems where advanced material discrimination, anomaly detection, and situational awareness are increasingly important.

**About Frenel Imaging Ltd.**

Frenel Imaging Ltd. specializes in polarimetric thermal imaging for defense, security, and precision-sensing applications. Its Division of Focal Plane (DoFP) architecture delivers simultaneous polarimetric and thermal data at the pixel level, processed in real time on deployable edge hardware. Frenel is a 2024 SPIE Prism Award recipient and NVIDIA Inception Program member. www.frenel.ai

**About Wrap Technologies, Inc.**

Wrap Technologies, Inc. (Nasdaq: WRAP) a global leader in innovative public safety technologies and non-lethal tools, delivering cutting-edge technology with exceptional people to address the complex, modern day challenges facing public safety organizations.

WRAP's complete public safety portfolio includes the non-lethal BolaWrap® 150 device, Wrap Reality® immersive training platform, WrapVision™ body-worn camera system, WrapTactics™ training programs, and next-generation C-UAS solutions like the 1KC Kinetic Anti-Drone Cassette, all of which supports the Company's mission to provide safer, scalable, and cost-effective technologies for public safety, defense, and critical infrastructure markets.

With a growing demand for non-lethal tools and techniques to create time, distance and tactical advantage in non-criminal calls, Wrap's BolaWrap® 150 incorporates a multi-sensory distraction of sight and sound as a first response, followed by a non-lethal restraint if further escalation is required. This approach reduces the risk of injury to officers, subjects, and the community.

Wrap's BolaWrap® 150 solution is intended to provide law enforcement with a safer choice for nearly every phase of a critical incident. This innovative, patented device deploys a multi-sensory, cognitive disruption to expand the pre-escalation period and gives officers the advantage and critical time to manage non-compliant subjects before resorting to higher-force options. The BolaWrap® 150 is not pain-based compliance. It does not shoot, strike, shock, or incapacitate, instead, it helps officers strategically operate pre-escalation on the force continuum, reducing the risk of injury to both officers and subjects. Used by over 1,000 agencies across the U.S. and in 60 countries, BolaWrap® is backed by training certified by the International Association of Directors of Law Enforcement Standards and Training (IADLEST), reinforcing Wrap's commitment to public safety through cutting-edge technology and expert training.

WrapReality™ VR is a fully immersive training simulator to enhance decision-making under stress.

As a comprehensive public safety training platform, it provides first responders with realistic, interactive scenarios that reflect the evolving challenges of modern law enforcement. By offering a growing library of real-world situations, WrapReality™ is intended to equip officers with the skills and confidence to navigate high stakes encounters effectively, which we believe leads to safer outcomes for both responders and the communities they serve.

WrapVision is an all-new body-worn camera and evidence management system built for efficiency.

Designed for efficiency, security, and transparency to meet the rigorous demands of modern law enforcement, WrapVision captures, stores, and helps manage digital evidence, ensuring operational security, regulatory compliance, and enhanced video picture quality and field of view.

The WrapVision camera, powered by IONODES, boasts streamlined cloud integration and final North American assembly, with a critical made-in-America roadmap projected for early 2026. This track helps ensure data integrity and helps eliminate critical concerns over unauthorized access or foreign surveillance risks.

**Trademark Information**



**Cautionary Note on Forward-Looking Statements - Safe Harbor Statement**

This release contains “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. Words such as “expect,” “anticipate,” “should”, “believe”, “target”, “project”, “goals”, “estimate”, “potential”, “predict”, “may”, “will”, “could”, “intend”, and variations of these terms or the negative of these terms and similar expressions are intended to identify these forward-looking statements. Forward-looking statements include, but are not limited to, statements relating to the Company’s strategic investment in Frenel; the expected benefits, effects, limitations, and implications of TPiCore® thermal-polarimetric imaging and WrapShield; expected commercialization, integration, deployment, market adoption, and expansion of WrapShield; the Company’s ability to develop, integrate, manufacture, sell, and support current and future products and technologies; the intended performance, benefits, and safety outcomes of the Company’s products and training solutions; expected market opportunities; and the Company’s planned future products, technologies, integrations, product designs, and related benefits. The Company’s actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors, including but not limited to: the Company’s ability to maintain compliance with the Nasdaq Capital Market’s listing standards; the Company’s ability to successfully implement training programs for the use of its products; the Company’s ability to manufacture and produce products for its customers; the Company’s ability to develop sales for its products; market acceptance of existing and future products; changes in law enforcement budgets, policies, procurement practices, and use-of-force standards; the availability of funding to continue to finance operations; the complexity, expense, and time associated with sales to law enforcement and government entities; the lengthy evaluation and sales cycle for the Company’s product solutions; product defects; litigation risks from alleged product-related injuries; risks of government regulations and changes in regulatory classifications or interpretations; the impact resulting from geopolitical conflicts and any resulting sanctions; the ability to obtain export licenses for countries outside of the United States; the ability to obtain patents and defend intellectual property against competitors; the impact of competitive products and solutions; and the Company’s ability to maintain and enhance its brand, as well as other risk factors mentioned in the Company’s most recent annual report on Form 10-K, subsequent quarterly reports on Form 10-Q, and other Securities and Exchange Commission filings. These forward-looking statements are made as of the date of this release and were based on current expectations, estimates, forecasts, and projections as well as the beliefs and assumptions of management. Except as required by law, the Company undertakes no duty or obligation to update any forward-looking statements contained in this release as a result of new information, future events, or changes in its expectations.

**Investor Relations Contact:**

**(800) 583-2652**
ir@wrap.com wrap.com