

Pulsenmore Ltd.

Date: July 6, 2021

Pulsenmore Ltd. (“the “Company”)

To:
The Israel Securities Authority
www.isa.gov.il

To:
The Tel Aviv Stock Exchange
www.tase.co.il

Re: Notice of A Special General Meeting of Shareholders

Under the Companies Law, 5759-1999 (the “Companies Law”), the Securities Law, 5728-1968 (the “Securities Law”), the Securities Regulations (Periodic and Immediate Reports), 5730-1970 (the “Reporting Regulations”), the Companies Regulations (Written Voting and Position Statements), 5766-2005 (the “Written Voting Regulations”), and the Companies Regulations (Notices of General and Class Meetings at Public Companies and Addition of Items to Agendas), 5060-2010 (the “Notice Regulations”), notice is hereby given of convening a special general meeting of Company shareholders (the “Meeting”), which will be held on Tuesday, August 10, 2021 at 5 PM at the Company’s offices at 8 Omrim Street, Omer, Israel. In addition, it will be possible to attend the Meeting by way of videoconference subject to pre-registration via email: S.BlattZak@shibolet.com and provided that a certificate of share ownership is sent prior to the Effective Date (as defined below). The videoconference’s number and access code will only be provided to those who register in advance via email.

1. Items on the agenda and summary of proposed solutions

1.1. Approval of the appointment of Prof. Anat Loewenstein as an external director of the Company

1.1.1. Under Sections 242 and 245(a) of the Companies Law, it is proposed to appoint Prof. Anat Loewenstein as an external director of the Company for a three (3) year term, commencing upon the approval of her appointment at the Meeting.

1.1.2. If the appointment of Prof. Loewenstein is approved at the Meeting, Prof. Loewenstein will be entitled to cash compensation in the maximum amounts of the annual and participation compensation as set forth in the Companies Regulations (Rules Regarding the Compensation and Expenses of External Directors) 5760-2000 (the “Compensation Regulations”), as shall be in effect from time to time, based on the Company’s level according to its equity, as shall be in effect from time to time. Moreover, Prof. Loewenstein will be entitled to reimbursement of expenses under the Compensation Regulations and to all other terms that apply with respect to the Company’s directors, including insurance, exemption and indemnification arrangements that

apply to other officer holders of the Company. The letter of exemption and indemnification that applies at this time was attached as Appendix C to the Supplementary Prospectus for the Initial Public Offering and the Company's Shelf Prospectus dated June 4, 2021 (the "**Prospectus**"). Moreover, subject to the separate approval of the Company's shareholders, Prof. Loewenstein will be entitled to equity compensation as stated in Section 1.3 below.

1.1.3. On June 28, 2021, Prof. Loewenstein was classified by the Company's Board of Directors to have Professional Competence, as such term is defined in the Companies Regulations (Conditions and Tests of Director with Accounting and Financial Expertise and of Directors with Professional Competence), 5760-2005.

1.1.4. Prof. Loewenstein provided the Company with a statement in accordance with Sections 224b and 241 of the Companies Law, which is attached to this Report.

1.1.5. For more information about Prof. Loewenstein, in accordance with the provisions of Regulation 26 of the Reporting Regulations, see Section 2 of this Report.

Proposed Resolution

1.1.6. "to appoint Prof. Anat Loewenstein as an external director of the Company for a three (3) year term, commencing upon the approval of her appointment at the Meeting convened pursuant to this Report."

1.2. Approval of the appointment of Ms. Linda Messalem, CPA, as an external director of the Company

1.2.1. Under Sections 242 and 245(a) of the Companies Law, it is proposed to appoint Ms. Linda Messalem, CPA, as an external director of the Company for a three (3) year term, commencing upon the approval of her appointment at the Meeting.

1.2.2. If the appointment of Ms. Messalem is approved by the Meeting, Ms. Messalem will be entitled to cash compensation in the maximum amounts of the annual and participation compensation as set forth in the Compensation Regulations, as shall be in effect from time to time, based on the Company's level according to its equity, as shall be in effect from time to time. Moreover, Ms. Messalem will be entitled to reimbursement of expenses under the Compensation Regulations and to all other terms that apply with respect to the Company's directors, including insurance, exemption and indemnification arrangements that apply to other officer holders of the Company. The letter of exemption and indemnification that applies at this time was attached as Appendix C to the Prospectus. Moreover, subject to the separate approval of the Company's shareholders, Ms. Messalem will be entitled to equity compensation as stated in Section 1.3 below.

1.2.3. On June 28, 2021, Ms. Messalem was classified by the Company's Board of Directors to have Accounting and Financial Expertise, as such term is defined in the Companies Regulations (Conditions and Tests of Director with Accounting and Financial Expertise and of Directors with Professional Competence), 5760-2005.

1.2.4. Ms. Messalem provided the Company with a statement in accordance with Sections 224b and 241 of the

Companies Law, which is attached to this Report.

1.2.5. For more information about Ms. Messalem, in accordance with the provisions of Regulation 26 of the Reporting Regulations, see Section 2 of this Report.

Proposed Resolution

1.2.6. “to appoint Ms. Linda Messalem, CPA, as an external director of the Company for a three (3) year term, commencing upon the approval of her appointment at the Meeting convened pursuant to this Report.”

1.3. Approval of the grant of equity-based compensation to the external directors

Subject to the approval of their appointment as external directors of the Company, it is proposed to grant each of the external directors, Prof. Anat Loewenstein and Ms. Linda Messalem, CPA, 375,000 non-registered and non-tradable options of the Company, which are exercisable into 375,000 ordinary shares of the Company, of NIS 0.00004 par value each (the “**Exercise Shares**”), subject to adjustments and pursuant to the Company’s 2019 Equity Compensation Plan (the “**Option Plan**”).

For more information about the grant of the options, including under the Securities Regulations (Private Offering of Securities at Registered Companies), 5760-2000 (the “**Private Offering Regulations**”), see Section 3 of this Report.

2. Details required under Regulation 26 of the Reporting Regulations

2.1. Following is information (to the best of the Company’s knowledge) regarding Prof. Anat Loewenstein:

.I.D. No	056032642
:Date of birth	July 4, 1959
Address for court documents	18 Levy Eshkol Street, Apt. 73, Tel Aviv
Citizenship	Israeli
Position at the Company	External director
Membership on Board Committees	Audit Committee, Compensation Committee
External or independent director	External
Accounting and financial expertise and/or professional qualifications and/or expert external director	Professional qualifications
Does the company consider the Director as having accounting and financial expertise for the purpose of meeting the minimum number determined by the Board of Directors under section 92(a)(12) of the Companies Law	No
An employee of the Company, a subsidiary, a related company, or a stakeholder at the Company – position	No

The date of commencement of service as a Director in the Company	Meeting date
Education	MD Physician, ophthalmologist, Ichilov Hospital, Tel Aviv; Prof. of ophthalmology at the Tel Aviv University; MBA Health, Tel Aviv University.
Occupation in the last 5 years	Director of the Department of Ophthalmology at Ichilov Hospital, Tel Aviv; Chair of the Association of Ophthalmologists in Israel; Vice Dean of Academic Appointments at the Tel Aviv University School of Medicine.
Additional corporations in which she serves as a director	Ichilov Health Corporation; Notalvision - Domestic Monitoring of Eye Disease Company; beyeomics - Surgery Digitization Company
Family member of another stakeholder at the Company	No

2.2. Following is information (to the best of the Company's knowledge) regarding Ms. Linda Messalem, CPA:

.I.D. No	069370252
:Date of birth	April 11, 1957
Address for court documents	Oren Street, Omer 58
Citizenship	Israeli
Position at the Company	External director
Membership on Board Committees	Audit Committee, Compensation Committee and Balance Sheet Committee
External or independent director	External
Accounting and financial expertise and/or professional qualifications and/or expert external director	Accounting and financial expertise
Does the company consider the Director as having accounting and financial expertise for the purpose of meeting the minimum number determined by the Board of Directors under section 92(a)(12) of the Companies Law	No
An employee of the Company, a subsidiary, a related company, or a stakeholder at the Company – position	No
The date of commencement of service as a Director in the Company	Meeting date
Education	Accountant. M.A. in Business Administration, Ben-Gurion University B.A. – Economics and Business Administration, Ben Gurion University
Occupation in the last 5 years	Independent accountant; previously an audit partner in Deolitte, manager of the Beersheba Branch.
Additional corporations in which she serves as a director	No
Family member of another stakeholder at the Company	No

3. Additional details in connection with the grant of equity-based compensation to the external directors, in accordance with the Private Offering Regulations

The details required under the Private Offering Regulations with respect to material private offerings are presented below:

- 3.1. The Company's Board of Directors, at its meeting of June 28, 2021, and, pursuant thereto, in a resolution dated July 5, 2021, approved a material private offering to each of the external director candidates, Prof. Anat Loewenstein and Ms. Linda Messalem, CPA (the "**Offerees**"), subject to the approval of the Meeting convened pursuant to this Report, of 375,000 options (as referred to above) (the "**Options**"), which may be exercised into the Exercise Shares, pursuant to and under the Option Plan, in consideration for their service as external directors of the Company, with the annual value of the Options to be granted to each of the external directors in deviation from the Company's Compensation Policy for Office Holders, in the form attached as Appendix B to the Prospectus (the "**Compensation Policy**"); all under the terms specified in Sections 3.3-3.4 below.

3.2. The offerees' being an interested party

To the best of the Company's knowledge, as of the date of this Report, each of the offerees is not an interested party, as such term is defined in Section 270 (5) of the Companies Law, and will not become an interested party as a result of the grant of Options.

3.3. The terms of the offered securities, their quantity and the percentage (%) that they will constitute of the voting rights and equity of the Company after the allotment (and in full dilution)

- a. The Options will be granted to each of the Offerees without financial consideration, in accordance with the Option Plan and the option agreement signed with her, and subject to the approval of the shareholders at the Meeting. The grant of the Options is made in deviation from the Compensation Policy, in accordance with the terms described in this Report.
- b. After the allotment of the Options to each of the Offerees, the Exercise Shares will constitute approximately 1.62% of the voting rights and issued and outstanding capital of the Company, and will also constitute, after the allotment and on a fully-diluted basis¹, approximately 1.46% of the voting rights and issued and outstanding capital of the Company.
- c. Vesting Period: The Options have a gradual vesting period of up to five years: half of the Options (187,500) will vest in the course of four years, which will begin with the commencement of the Offerees' service, with 25% of them vest one year after the commencement of service, and 6.25% of them vest every quarter thereafter. The second half of the options (187,500) is subject to a vesting period of five years, in the course

¹ Assuming exercise of 750,000 non-tradable options of the Company

of which 25% of them will vest two years after the commencement of service and 6.25% of them will vest every quarter thereafter; all provided that, at the time of each vesting date, the external directors still serve in their positions.

- d. **Exercise Price:** Each Option may be exercised into one Exercise Share in consideration for an exercise price of NIS 17.10 for each Exercise Share, which reflects the Company's average share price on the Tel Aviv Stock Exchange ("**TASE**") since the date of listing of the Company's shares for trade on the TASE and until the date of the Board's decision to grant the Options. In accordance with the Compensation Policy, unless otherwise decided, the exercise price of options that are granted to offerees who are office holders of the Company will be the higher of: (a) the average price of the Company's shares on the TASE during the thirty trading days preceding the date of approval of the grant of options by the Company's Board of Directors (the "**Grant Date**"); and (b) the Company's closing share price on the trading day preceding the Grant Date. The exercise price is not indexed.

The closing price of the Company's shares on the TASE on July 4, 2021, the day before the publication of this Report, was NIS 17.20. The exercise price is approximately 0.6% lower than such price.

- e. **Exercise Period:** Generally, the Options will be exercisable as of their vesting date stated above and for seven years after the Grant Date. Options that are not exercised by the end of the aforementioned exercise period will expire and will not grant any rights to the Offerees.
- f. The Options will be granted to each of the Offerees by means of a trustee under Section 102 of the Income Tax Ordinance [New Version], 5721-1961, in accordance with the Capital Gains Tax Track ("**Capital Gains Track**").
- g. The Options will be subject to the provisions of the Option Plan with respect to adjustments, including adjustments in case of dividend distribution. For more information regarding the adjustments included in the Option Plan, see Section 3.6.2. of the Prospectus. In addition, the Options will be subject to the other provisions of the Option Plan, including with respect to acceleration of vesting in case of a merger or sale of the Company. For more information, see Section 3.6.4 of the Prospectus.
- h. The terms and conditions of the Options offered for each of the Offerees do not correspond to the provisions of the Compensation Policy, under which the Company may grant directors of the Company, including external directors, equity-based compensation in accordance with the restrictions set forth in the Compensation Policy and under applicable law, provided that the total value of the benefit provided to each of the directors (excluding executive directors, such as the Chairman of the Board of Directors or a director who also serves as an executive), on the date of grant, shall not be more than twice the annual cash compensation received by such director, for every year of vesting.

In the view of the Company's Board of Directors, the value of the Options is adequate when considering the potential contribution of the external directors to the Company and the challenges they will face while in service. For more information, see below the Board's explanations for the approval of the grant.

3.4. The fair value of the securities that can be converted or exercised into shares, including the method and equation used to calculate the value and the assumptions that underlay its calculation

When the Board of Directors approved the grant of Options, the total fair value of the Options, using the B&S equation, was NIS 6,555,000. The main assumptions used for determination of the fair value of the Options were as follows:

First half of the Options:

A period of 4.25 years. Annual standard deviation – 61.7%; closing price of the share on the day that preceded the model’s implementation (June 28, 2021) – NIS 17.55; average share price in the last 30 trading days – 17.23; vesting period – 4 years; NIS interest rate: 0.38%.

Second half of the Options:

A period of 4.72 years. Annual standard deviation – 61.7%; closing price of the share on the day that preceded the model’s implementation (June 28, 2021) – NIS 17.55; average share price in the last 30 trading days – 17.23; vesting period – 5 years; NIS interest rate: 0.47%.

3.5. Details (in annual terms) under the Sixth Addendum to the Reporting Regulations, assuming the approval of the grant of Options to each of the Offerees (in NIS):

Name	Position	Holding percentage in Company’s equity	Salary ²	Bonus	Share-based payment	Management fees / consultation fees / commissions	Other compensation – interest / rent / other	Total
Anat Loewenstein	External director	-	36.745	-	3,277,500	-	-	3,314,245
Linda Messalem	External director	-	36.745	-	3,277,500	-	-	3,314,245

² The numbers in the table represent the fixed annual compensation that will be received by each of the external director candidates, subject to the approval of their appointment as such. In addition to this compensation, each of them shall be entitled to participation-based compensation for participating in the meetings of the Board of Directors and its committees. See Sections 1.1.2 and 1.2.2 above.

3.6. Issued share capital of the company, and, to the best of the Company's knowledge, the quantity and holding percentage of the Offerees, of stakeholders at the Company and the total holdings of other shareholders in the issued and outstanding capital and voting rights of the Company:

Name	Number of shares	Number of options	Percentage of capital holdings and voting rights after the allotment (assuming exercise of all Options by the Offerees).	Percentage of capital holdings and voting rights after the allotment (full dilution).
Elazar Sonnenschein (CEO, Director of Development, Director).	7,806,250	-	16.76%	15.19%
D.L.L.D. Consulting Ltd.	7,056,250	-	15.15%	13.73%
Kfir and Esther Luzzatto and Alov Ltd.	3,750,000	-	8.05%	7.30%
The Phoenix Holdings Ltd.	2,618,700	-	5.62%	5.10%
Jonathan Adereth (Chairman of the Board)	-	1,032,500	-	2.01%
Meir Shmueli (Director of Software)	-	110,500	-	0.22%
Danny Zastenker (Director of Finance)	-	57,500	-	0.11%
Jordan Robinson (VP, Marketing and Commercialization)	-	1,032,500	-	2.01%
Yuval Yanai (Director)	-	375,000	-	0.73%
Susan Delabrida (Director)	-	375,000	-	0.73%
Racheli Goz-Lavie (Director)	-	375,000	-	0.73%
Adar Tech Fund LLC	2,708,333	-	5.82%	5.27%
Anat Loewenstein (External Director)	-	375,000	0.81%	0.73%
Linda Messalem (External Director)	-	375,000	0.81%	0.73%
The rest of the public (including Company employees).	24,500,933	1,450,250	52.61%	50.51%
Total	45,821,766	5,558,250	100%	100%

3.7. Summary of the Board's explanations in connection with the grant of the Options to the external directors:

On June 28, 2021 and July 5, 2021, the Company's Board of Directors unanimously approved the grant of the Options to the external directors, in deviation from the Compensation Policy, subject to their appointment and to shareholder approval of the grant, on the basis of, *inter alia*, the considerations set forth in Section 267B(a) of the Companies Law, while addressing the matters and issues set forth in Parts A and B of the First Addendum, for the following reasons:

- a. Prof. Loewenstein is a specialist doctor at the Ichilov Hospital with an MBA in Health from the Tel Aviv University and a professor at such university. Over the past five years, Prof. Loewenstein has filled senior health-related executive positions, including the Director of the Ophthalmology Department at Ichilov, Chair of the Association of Ophthalmologists in Israel, and the Vice Dean of Academic Appointments at the Tel Aviv University School of Medicine. She also serves as a director at Ichilov Hospital's Health Association,

at Notalvision, a company that engages in domestic monitoring of eye diseases, and at Beyeonics, a company that engages in the digitization of surgeries.

- b. In light of Prof. Lowenstein's professional and academic experience, the Company's Board of Directors considers her as having extensive professional and executive experience.
- c. Ms. Messalem has a B.A. in Economics and Business Administration (Ben Gurion University) and an M.A. in Business Administration (Ben Gurion University). She works as an independent accountant, and previously served as an audit partner at Deloitte, manager of the Beersheba branch.
- d. In light of Ms. Messalem's professional and academic experience, the Company's Board of Directors considers her as having extensive financial and executive experience.
- e. The compensation is equity-based, and the entitlement for it is spread over the next few years, thus serving the Company's both short and long term interests.
- f. The main purpose of the grant of the Options to Prof. Loewenstein and Ms. Messalem is to meet the Company's objectives and to create common interests for them and the Company's shareholders.
- g. The value of the grant was examined and approved in view of the responsibilities of Prof. Loewenstein and Ms. Messalem in the framework of their service as external directors of the Company, and their estimated future contribution to the Company and its development.
- h. The value of the Options constitutes, in the view of the Board of Directors of the Company, an adequate and appropriate compensation, and will properly incentivize Prof. Loewenstein and Ms. Messalem to perform their duties and assist the Company in achieving its goals and objectives, as determined by the Board from time to time.
- i. It should be noted that none of the members of the Board objected the grant of the Options to the Offerrees.

3.8. Personal interest of significant shareholders or officers of the Company and the nature of said personal interest

To the best of the Company's knowledge, none of the significant shareholders or senior officers of the Company have a personal interest in the resolution.

- 3.9. According to the TASE guidelines, as shall be in effect from time to time, options will not be exercised into shares on the effective date for bonus share distribution, by way of rights, dividend distribution, capital consolidation or capital reduction (each of the aforementioned will be hereinafter referred to as a "**Company Event**"). In addition, if the X-date of a Company Event takes place before the effective date of a Company Event, options will not be exercised into shares on such X-date.
 - 3.10. The Exercise Shares resulting from the exercise of the Options granted under this Report will be identical and equal – in terms of the rights associated with them and for all intents and purposes – to the rights granted to holders of ordinary shares of NIS 0.00004 par value each of the Company, included in the issued and
-

outstanding capital of the Company, and will grant the right to every dividend or other benefit which the effective date for the right to receive such benefit will be the exercise date or any date thereafter.

3.11. The Exercise Shares will be registered in the name of the Nominee Company of the TASE (or any other nominee company that will be used by the Company at the relevant time).

3.12. Required Approvals

- a. The grant of the Options to each of the Offerees was approved by the Company's Board of Directors at its meeting of June 28, 2021.
- b. The grant of the Options is subject to the approval of the Company's shareholders at the Meeting convened pursuant to this Report.
- c. In addition, the grant of the Options is subject to the approval by the TASE for the listing of the Exercise Shares for trading. The Company intends to seek the TASE's approval as stated shortly after the publication of this report. Failure to obtain the TASE's approval would lead to the cancellation of the grant, and the Offerees will have no legal ground for claim against the Company.

3.13. No agreements between the Offerees and Company shareholders

To the best of the Company's knowledge, based on examinations conducted with each of the Offerees, there are no written or oral agreements between any of the Offerees, or any one on their behalf, and holders of shares or any other securities of the Company, with respect to the purchase or sale of securities or voting rights.

3.14. Prevention of or restrictions on the use of the Exercise Shares

Under Section 15c of the Securities Law and the Securities Regulations (Details Relating to Sections 15a to 15c of the Law), 5760-2000, the following restrictions will apply to sales that take place in the course of trading on the TASE in the Exercise Shares that will result from the exercise of the Options:

- a. During the six months starting on the allotment date (the "**First Period**"), the Offerees will not be allowed to offer the Exercise Shares in the course of trading on the TASE without first publishing a prospectus whose publication has been permitted by the Israel Securities Authority.
 - b. During the six quarters after the end of the First Period, the Offerees may offer, in the course of trading on the TASE, and without having published a prospectus whose publication has been permitted by the Israel Authority, on each TASE trading day— no more than the average daily trading turnover on the TASE of shares from the same class as the Exercise Shares, during the eight weeks that preceded the offering date, provided that the total amount of Exercise Shares offered each quarter shall not exceed 1% of the Company's issued and outstanding capital as of the offering date. In this context, "issued and outstanding capital" – excluding shares that will result from the exercise or conversion of convertible securities that were allotted until the offering date, and have not yet been exercised or converted.
-

Restrictions with respect to dates or quantities will not apply to off-TASE sales. However, any person who purchased the Exercise Shares from the Offerees and did so not in accordance with a prospectus and not in the course of trading on the TASE, will replace them with respect to compliance with lock-up provisions as stated in this section above.

Moreover, given the fact that the Options are granted to each of the Offerees in accordance with the Capital Gains Track, the Options, the Exercise Shares that will be granted as well as any right that is granted by virtue thereof, including bonus shares, will be deposited with a trustee for (at least) twenty-four (24) months as of the date of their allotment and their deposit with the trustee for the benefit of the Offerees, or any other period of time, if so determined by the tax authorities in Israel in accordance with the terms and conditions of the Capital Gains Track.

3.15. Allotment Date

The Options will be allotted to each of the Offerees shortly after the receipt of all approvals required under applicable law, including the principal approval of the TASE for the listing for trade of the Exercise Shares.

4. The majority required for the approval of the resolutions on the agenda

The appointment as external director of each of the two nominees shall be voted upon separately.

The grant of the Options to each of the Offerees shall be voted upon separately from the appointment as external director, and together with respect to the two Offerees.

In accordance with the provisions of Section 239(b) of the Companies Law, the majority of shareholders required at the Meeting for the approval of each of the resolutions on the agenda, as detailed in Section 1 above, is as follows:

- 4.1. A majority of all of the votes of shareholders who are not controlling shareholders of the Company or who do not have a personal interest in the approval of the resolutions, apart from personal interests that are not the result of a connection to the controlling shareholder, who participate in the vote (whether directly or indirectly by way of a proxy), not including abstaining votes; or
- 4.2. the total number of objecting votes by the shareholders mentioned in Section 4.1 does not exceed two percent (2%) of all of the voting rights at the Company.

5. The legal quorum for the Meeting and a postponed meeting

- 5.1. A legal quorum will be constituted once one shareholder or more who hold at least 25% of the voting rights at the Company are present – by themselves (including attendance by way of Voting Cards or voting through the electronic voting system, as required under applicable law), or through an agent.
 - 5.2. If 30 minutes have passed since the beginning of the Meeting, and there is no legal quorum, the Meeting will
-

be postponed to the same day in the following week, i.e., Tuesday, August 17, 2021, at the same time and place (“**Postponed Meeting**”).

- 5.3. A legal quorum at a Postponed Meeting will be constituted once one shareholder or more who hold at least 25% of the voting rights at the Company, are present – by themselves (including attendance by way of Voting Cards or voting through the electronic voting system, as required under applicable law), or through an agent, within thirty minutes of the time scheduled for the beginning of the Postponed Meeting. If there is no such quorum, the Postponed Meeting will be held with any number of participants.

6. The effective date of entitlement to participate in and vote at the Meeting

- 6.1. The effective date of entitlement of Company shareholders to vote at the Meeting is Monday, July 12, 2021 (the “**Effective Date**”).
- 6.2. Pursuant to the Companies Regulations (Proof of Share Ownership for the Purpose of Voting at General Meetings), 5760-2000 (the “**Proof of Ownership Regulations**”), shareholders – in favor of whom a share is registered with a TASE member, and that share is included in the shares listed in the shareholder register in the name of the Nominee Company – will provide the Company with a certificate of their ownership of the share as of the Effective Date, using the form found in the Addendum to the Proof of Ownership Regulations, or, as an alternative, a certificate of ownership will be sent to the Company through the Electronic Voting System (as defined below), at least 48 hours before the Meeting or the Postponed Meeting (as the case may be). However, the Chairman of the Meeting may waive this requirement and receive the certificate of ownership at the beginning of the Meeting.
-

Without derogating from the foregoing, an electronic message that has been approved under Section 44k5 of the Securities Law, which pertains to the information of users of the Electronic Voting System, will be tantamount to a certificate of share ownership with respect to every shareholder included in it.

- 6.3. Shareholders may appoint proxies able to participate in and vote on their behalf at the Meeting, all in accordance with the provisions of the Company's articles of association, and subject to the provisions of the Companies Law and to proving their ownership of the shares in accordance with the Proof of Ownership Regulations. The appointment of a proxy will only be valid if the letter of appointment is received at the Company's offices at least 48 hours before the Meeting, although the Chairman of the Meeting may waive this requirement and receive the letter of appointment at the beginning of the Meeting.

7. Voting using Voting Cards or the electronic voting system

- 7.1. Shareholders may vote at the Meeting by means of a Voting Card (attached to this Report) or through the Electronic Voting System, which operates in accordance with Article B of Chapter G2 of the Securities Law (the "**Electronic Voting System**").
- 7.2. Voting through Voting Cards
 - 7.2.1. The content of Voting Cards and Position Statements, if any exist (as defined in Section 88 of the Companies Law), can be found on the Distribution Website of the Israel Securities Authority at: <http://www.magna.isa.gov.il> and on the TASE website at: maya.tase.co.il (the "**Distribution Websites**").
 - 7.2.2. Shareholders who wish to vote by means of a Voting Card will specify their votes in the second part of the Voting Card.
 - 7.2.3. Any shareholder may contact the Company directly and receive from it copies of the Voting Card and the Position Statements (if any exist).
 - 7.2.4. TASE members will send a link to the Voting Card and Position Statement (if any exist), as published on the Distribution Websites, to every unregistered shareholder who holds shares through them, no later than five (5) days after the Effective Date, free of charge and via email, unless the shareholder informed the TASE member that he or she does not wish to receive such a link, or unless he or she announced that they only wish to receive Voting Card via mail in exchange for delivery fees only.
 - 7.2.5. Voting through Voting Cards will only be valid if accompanied by a certificate of ownership, or if a certificate of ownership has been sent to the Company through the Electronic Voting System.
 - 7.2.6. A shareholder whose shares are registered with a TASE member, is entitled to receive a certificate of ownership from the TASE member through whom he or she holds his or her shares, at the branch of the TASE member or by mail to his or her address for delivery fees only, if requested, provided that such request was submitted in advance with respect to a certain securities account.

- 7.2.7. **The deadline for providing the Voting Card (and the documents that should be attached thereto, including a certificate of ownership as stated above and in the Voting Card)** is up to four (4) hours before the Meeting convenes. In this context, the date of provision is the date on which the Voting Card and the documents that need to be attached thereto are received at the Company's offices, either delivered by hand or through registered mail. The Voting Card can also be provided via email at: S.BlattZak@shibolet.com, and in such case, the date of provision is the date on which confirmation is sent to the provider of the Voting Card not through an automatic computer system, which certifies the receipt of the Voting Card via email as stated.
- 7.2.8. Shareholders may, up to twenty-four (24) hours before the Meeting convenes, contact the Company's offices, and, after having proven their identity to the satisfaction of the Company, may withdraw the Voting Card and their certificate of ownership.
- 7.3. **Voting through the Electronic Voting System**
- 7.3.1. Shareholders may instruct that their certificates of ownership be transferred to the Company through the Electronic Voting System.
- 7.3.2. The TASE member will enter a list into the Electronic Voting System that contains all details required under Section 44k4(a)(3) of the Securities Law with respect to each of the unregistered shareholders that hold securities through him on the Effective Date (the "**List of Shareholders Entitled to Vote through the System**"), but the TASE member will not include in the List of Shareholders Entitled to Vote through the System – shareholders who provided him with a notice, by 12pm on the Effective Date, according to which they do not wish to be included in the List of Shareholders Entitled to Vote through the System, under Regulation 13(d) of the Written Voting Regulations.
- 7.3.3. As quickly as possible after receiving confirmation through the Electronic Voting System of the proper receipt of the List of Shareholders Entitled to Vote through the System (the "**Confirmation of List Delivery**"), the TASE member will provide each of the shareholders included in the List of Shareholders Entitled to Vote through the System and who receive messages from the TASE member by electronic means or through the communication systems that are connected to the TASE computers – with the details needed to vote through the Electronic Voting System.
- 7.3.4. Shareholders who appear on the List of Shareholders Entitled to Vote through the System may specify their votes and send them to the Company through the Electronic Voting System.
- 7.3.5. **Deadline for voting through the Electronic Voting System:** Up to six (6) hours before the Meeting, at which point the Electronic Voting System will be closed (the "**System Lock Time**"). Voting through the Electronic Voting System may be amended or revoked by the System Lock Time.
- 7.4. One or more of the shareholders who holds shares at a percentage constituting five percent (5%) or more of all voting rights in the Company, and whoever holds such a percentage out of the total voting rights not held
-

by a controlling shareholder in the Company (as defined in section 268 of the Companies Law), is himself or herself entitled, or entitled through a proxy, to review the Voting Cards and voting records received by the Company through the Electronic Voting System, at the Company's registered office at regular business hours.

As of the date of this Report: (a) the number of shares that constitute five percent (5%) as stated is 2,291,089 ordinary shares of the Company; (b) the number of shares that constitute five percent (5%), net of the shares that are held by the Company's controlling shareholder, is 1,547,963 ordinary shares of the Company.

- 7.5. Under Section 83(d) of the Companies Law, if a shareholder votes in more than one way, their latest vote will be counted.

In this context: (a) The date of votes by Voting Cards will be the date specified in the Voting Cards; (b) a vote by a shareholder – in person or by way of proxy – will be considered as a vote that takes place later than a vote by means of a Voting Card or through the Electronic Voting System.

- 7.6. **The deadline for submitting Position Statements to the Company** is up to ten (10) days before the date of the Meeting, i.e., until July 31, 2021.

- 7.7. **Deadline for filing the response by the Board of Directors to Position Statements:** Up to five (5) days before the Meeting Date, i.e., by August 5, 2021.

8. Rights of shareholders and changes to the agenda

- 8.1. Under the provisions of Section 66(b) of the Companies Law, one or more shareholders who hold at least one percent (1%) of the voting rights at the Meeting may ask the Board of Directors to include an item on the agenda of the Meeting, provided that the item is suitable for a discussion at the Meeting. Requests by shareholders under Section 66(b) of the Companies Law to include an item on the agenda of a general meeting must be submitted to the Company within 7 (seven) days of the date the notice regarding the general meeting is filed by the Company, in accordance with Regulation 5a(a) of the Notice Regulations.
- 8.2. Pursuant to the provisions of the Notice Regulations, the Company may add changes to the agenda, including the addition of an item to the agenda, and Position Statements may be filed in connection with the resolutions on the agenda. If any such changes are made, they will be available in the Company's regular reports on the Distribution Websites. If required as a result of changes to the items on the agenda, the Voting Card will be published by the Company on the Distribution Websites together with the changes to the agenda no later than the dates stated in Regulations 5a and 5b of the Notice Regulations. The publication of the updated agenda does not change the Effective Date.

9. Notice of Personal Interest

- 9.1. Every shareholder who participates in a vote needs to inform the Company – before voting, and, if the vote is carried out through a Voting Card, by filling out Part b of each Voting Card in the designated part thereof
-

– whether or not he or she, or any representative thereof, are regarded as a controlling shareholder of the Company or as having a personal interest in the approval of the resolution, as the case may be, in addition to a description of the relevant connection.

This provision will also apply to proxies of Company shareholders.

If a shareholder fails to provide such notice or if the aforementioned section has not been filled out, the vote will not be counted.

- 9.2. Pursuant to the Directive of the Israel Securities Authority of November 30, 2011, titled “Disclosure pertaining to Votes by Stakeholders, Senior Officers and Institutional Entities at Meetings,” shareholders who participate in the vote are required to inform the Company, before voting at the Meeting, of their being stakeholders, senior officers or institutional investors, as such terms are defined in the aforementioned Directive, as well as additional details referred to under the Directive.

If a shareholder votes by proxy, the aforementioned details shall be provided in the letter of appointment of proxy, in addition to the details regarding the proxy, as required under the Directive.

- 9.3. Under Regulation 36d(d)(5) of the Reporting Regulations, shareholders who participate in votes will inform the Company – before voting – of any additional connections between them and the Company, the controlling shareholder or a senior officer thereof, and will describe the nature of those connections.

10. Review of documents

A copy of this Report and any document that pertains to the items on the agenda will be available for review at the Company’s offices on Sundays-Thursdays, at regular business hours, subject to prior coordination via telephone: 054-2332634, and until the Meeting convenes, and also through Adv. Shelly Blatt Zak or Adv. Saul Adereth of Shibolet & Co., Law Firm, on 4 Berkovich Street (Museum Tower), Tel Aviv, Tel.: 03-7778333; Fax: 03-7778444, on Sundays-Thursdays, during regular business hours, subject to prior coordination, and on the Distribution Websites.

Sincerely,

Pulsenmore Ltd.

Through:

Elazar Sonnenschein, CEO and Director

Danny Zastenker, Director of Finance
